

# *Review of* INTERNATIONAL AFFAIRS

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# May Day 1954

In this turbulent century of destructive instincts and noble endeavours, in which the collision between conceptions of tyranny and freedom has assumed the character of a fierce struggle, in this epoch which has split the atom and shortened the distances between continents and people to a measure that figured only in bold dreams earlier, the common holidays of the people have become the expression and manifestation of the aims and the ideas shared by men and mankind.

In various climes there live people who do not speak the same language, who have not the same customs, the same way of life or the same opinions on various political and social events. The world is full of differences and contrasts. The histories of the various peoples have not progressed along the same roads; the scale of social and economic systems has never been so variable as today.

But the time of illusions has long past; man can no longer live without man or nation without nation. The links which connect have won a victory over the differences which separate. The vital interest of the people who consider freedom, peace and independence to be the fundamental components of their existence and prosperity have become a common treasure. The principles of international cooperation, the negation of poverty and the emancipation of man — once the motto of the most progressive minds of humanity, now embodied in the idea of our holiday — have become the reality and the measure in accordance with which history will judge the policies and steps of states and statesmen, and pronounce its inexorable judgment, which will show whether they were initiators of progress or opponents of the fundamental values of human beings.

People who strive for progress and life in freedom and respect of man and his work celebrate May Day, the holiday of the working people, which carries in itself the idea of international solidarity, so as to remind themselves, in a moment of rejoicing and manifestations, of their duties and obligations towards the international community, and to review their contributions to the struggle for world peace in the equality of peoples and nations.

The citizens of Yugoslavia celebrated May Day with fresh impressions of their President's recent visit to allied Turkey, which has given a new impetus to the cooperation and friendship of the Balkan countries, and strengthened the barricades of peace and security in this part of the world. This gave May Day, which is a great review of the successes of the Yugoslav peoples in the struggle for the advance of their socialist community, a special character, of which they can be proud, and of which they are proud indeed.

## Review of INTERNATIONAL AFFAIRS

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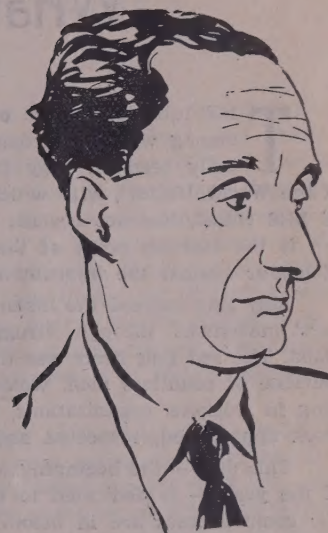


„Yugoslavia cooperated in her own way and will continue to cooperate on the unification of Europe. Her persevering work on the organisation of joint defence and other forms of cooperation within the framework of the Ankara Agreement... as well as her cooperation with the big Western powers... were directed towards the same goal and represented an important contribution to the organisation of Europe”.

dr. Aleš BEBLER,

Undersecretary of State for Foreign Affairs

## Consolidation of Peace Remains the Primary Objective



**D**URING the past year the cause of peace has at last moved from its dead point. Cold war has been converted into armed peace, talks and negotiations have been initiated between the two „camps”, and conference follows conference. A series of countries, including the big powers, have, — although to a very small extent, — nonetheless reduced their military budgets. Diplomatic relations are being normalised or re-established in those cases where they were broken off.

This turn to the better received the full support of Yugoslavia, who provided both an example and incentive. Yugoslavia accepted and promoted the normalisation of relations with the Eastern bloc without hesitation, participated at the conference on East-West trade, reduced her military budget to a certain extent, and gave her unequivocal and sincere support to all efforts to ease world tension.

It should nevertheless be borne in mind that however encouraging this improvement of the world situation may be, it does not mean that the threat of war has been eliminated. We are still far from this goal. The peace in which we live is still armed to the teeth. The supreme objective of the sincere champions of world pacification, i.e. a peace which would enable the radical reduction of armaments and the practical disappearance of the danger of a new world war has drawn nearer but it is still remote.

It is therefore necessary to realise where the major obstacles lie in order to draw nearer to this goal. It should still be persistently and unequivocally pointed out that the USSR and its foreign policy still constitutes the main obstacle on the road to a lasting and solid peace.

From the standpoint of the continent on which we live and to which we belong geographically and economically, by our history and culture, from the standpoint of Europe, it is of paramount importance that we should never forget that her worst misfortune consists in her division into two parts by the so-called Iron Curtain which is primarily a creation of the Stalinist Soviet foreign policy. The recent Berlin Conference indicated that the Government of Malenkov and Molotov persists in this policy of division, and

insists on maintaining the positions acquired in the heart of our continent in spite of the obvious aspirations of the European peoples. The attitude of the Soviet delegation in Berlin on the problem of Austria which has been deprived of her sovereignty in the sole aim of retaining a strategic position represents the most spectacular example of such a policy.

If the situation remains fundamentally unchanged, if the greatest danger stems from the same direction as before, then one should draw the conclusion that the chief method of averting this threat cannot be essentially different from the one used in the past which led to positive results such as the organization of collective security directed against the potential aggressor.

The application of this thesis to Europe can only mean one thing: that the further development of solidarity and cooperation between the European countries who avoided the control of the Moscow government is still imperative today. The unification and „integration” of these countries, — whatever opinion one may have regarding the concrete forms of this unification and the individual secondary phenomena which accompany such a process, — is a positive factor in so far as it raises the solidarity of the European peoples to a higher level, in so far as it actually strengthens the resistance of that part of Europe towards the big power which mutilated and divided her, and which, in the present phase of international developments, strives to provoke disunity in Europe at all costs for its own transparent reasons.

Yugoslavia cooperated in her own way and will continue to cooperate on the unification of Europe. Her persevering work on the organisation of joint defence and other forms of cooperation within the framework of the Ankara Agreement, the Agreement of the three Balkan countries as well as her cooperation with the big western powers, the USA, Great Britain and France were directed towards the same goal and represented an important contribution to the organisation of Europe. Also in the future Yugoslavia will continue her work in the same direction and the same purpose in those forms which prove adequate and opportune.



*dr. Leon BOUTBIEN,*  
Socialist deputy to the French Parliament

## What May Day Means Today

THE full significance of Marx's call for solidarity among workers throughout the world is undoubtedly seen on May Day. The appeal: „Workers of the World, Unite!”, with which the Communist Manifesto of 1848 ended, has not become out-of-date. After all, was not it the starting point of the international organization of labour against the international organization of capital?

May Day entered the history of the international workers' movement through struggles and the shedding of blood. The red flag itself was the symbol of the blood and sacrifice of countless men, women and children who, working in workers' organizations, fought to make productive work appreciated, respected and honoured.

This day — the beginning of the most agreeable month of the year — is dedicated to the future of the world. In our country trees are in bloom, grain, high and green, is undulating in the fields, and the new leaves are opening. Everywhere May Day is the call of youth, the call of life. This year, too, the spring will come to triumph over darkness and cold. But it will not allay our fears.

The advance of human knowledge has enabled men to release great cataclysms at will. Every month we learn of new atomic explosions. Only nine years have passed since Hiroshima and Nagasaki, and now the atomic bomb appears to be an obsolete weapon. The world's attention is at the moment focused on the hydrogen bomb, whose destructive power is capable of annihilating life on our planet. Though in as far as science is concerned we must admire the genius of man, who has conquered the atom, we cannot but shudder at the thought that governments might one day decide to use this terrible weapon in war.

Now is the time, therefore, to speak about this problem. The people in the West are aware that they have succeeded in preserving their freedom and independence only through United States domination in the atomic field. That in 1948 France did not experience the sad fate of Czechoslovakia was due to the fact that the Russians could not have made their usual demarche without encountering a strong atomic counter-attack. At that time Stalinist propaganda in our country had only one aim: the struggle against the atomic bomb. But since the Soviet Union has succeeded in mastering the production of this weapon the voices of our Stalinists have been quiet. Not ours, however. It is necessary to use the authority of the United Nations, first to set up international control over the production of atomic weapons, and then to ban them altogether.

For us the hydrogen bomb is not merely of strategic importance. If the Soviet Union had succeeded in producing it before others, no one would have been capable of stopping Soviet imperialism. The Russian counter revolution would have conquered the consciousness of the workers by force and intimidation. In that case there would have come about a coexistence imposed by a „powerful state” on all peoples of Europe and Asia, and not, as we desire, a free way of seeking world peace, with respect for the independence and individuality of every nation.

On the other hand, the countries which have not at their disposal the means of producing atomic weapons will never agree to let their fate be decided without their voice, in bargaining between the Americans and the Russians. At present there is no fear of this as far as the Americans are concerned. But to make sure that there will be no adventures of any kind, we must insist on the strengthening of the United Nations, and on the setting up of our own regional collective security.

Our wish is to see atomic weapons outlawed. But it must not be forgotten that nothing has yet been done about this, and that we in Western Europe are open to surprise aggression on our frontiers which, combined with a coup d'etat from within would legalize the occupation of our territories, just as was the case with Czechoslovakia. Therefore most of the French Socialists have accepted the principle of the European Defence Community. But even if the French Parliament ratifies the EDC Treaty, as we hope it will, our task will not be ended.

It is precisely in this that the international significance of May Day lies. The solidarity of the workers in the world must be the weapon to win the world peace for which we strive.

It is not only atomic weapons that should be internationally outlawed. Our conscience forces us to condemn the oppression of man, both in the system of capitalist ownership and in the bureaucratic and police state of autarchic collectivism.

On this day of the eternal regeneration of life, the free workers of the world should take to heart the words of Bergson, our philosopher, who said: „Man is now groaning under the burden of the progress he has made. He is not sufficiently aware that his future depends on himself alone. All he has to do is to decide whether he wants to go on living”. We must compare our experiences, bridge our differences, and strive for something higher, so as not to betray the great human hope expressed by this holiday.



## Comments on the Ankara Talks

IN July 1953, the Foreign Ministers of the Ankara Agreement countries, holding their first regular meeting in Athens, reached the unanimous conclusion that the Tripartite Agreement was the initial stage in the tripartite cooperation, whose logical continuation would be a complete Tripartite Alliance. At that time the Ministers did not consider how soon the conditions would become ripe for replacing the Agreement by an Alliance, for they knew that when they do the Governments of the three countries would as earlier, in full equality, take the necessary measures. Today, two members of the Agreement, Turkey and Yugoslavia, hold that conditions are becoming ripe for such a step, and they have decided to consider the whole matter with the third member of the Agreement, Greece, and pass the corresponding decisions. True, the danger of war is not as direct as it has been in the last several years, and the tension in international relations has somewhat relaxed, but it would be wrong to suppose that we need not exert any further efforts to strengthen peace and security which would prevent any repetition of danger and tension in the future.

This state of affairs had been widely known, and the present development of the Ankara Agreement should have been expected and acclaimed not only for its consolidating effect in the Balkans, but also for its contribution to the unsettled Europe. And yet, in some capitals, particularly in Rome, the Turko-Yugoslav decision met with so poor a response that it showed either the shortsightedness of leading officials or the selfishness and ill-meaning of their motives. In Rome the first reaction to the news about the forthcoming development of the Tripartite Agreement was manifested in nervous press comments, reports about demarches of Rome's diplomats and in the behaviour of high Italian officials in other matters. It sounds quite ridiculous to hear this unfavourable reaction being justified by the fear that Yugoslavia is allegedly sharpening her attitude towards the problem of Trieste, which is — the Italians themselves must admit — nearing a solution thanks to Yugoslavia's good will. And when they say that reaction is the result of the endeavours to prevent a danger Italy might have to face if a Tripartite Balkan Alliance is set up, we are reminded of the vocabulary and the arguments which were used in the past actions and schemes against the Balkans, recalling that no such actions have ever been planned, let alone taken by the Balkan countries against Italy.

What was the role of the Tripartite Agreement and the tripartite cooperation in this relatively short period of a year's time?

That the Tripartite Agreement has contributed to the reduction of the danger of aggression from the East, and

with that to the lessening of tension in the Balkans is today generally known and acknowledged, and there is hardly any necessity to repeat that here. Without overestimating for a moment the value of the Balkan Agreement we cannot but ask: How things would have developed in this part of the world, and in European proportions, had not Greece, Turkey and Yugoslavia concluded the Ankara Agreement and so joined their forces and efforts? It would be extremely interesting to hear a sincere Italian reply to this question insofar as direct and indirect repercussions of the Tripartite Balkan Agreement on Italy's security and stability are concerned.

Beyond the inner limits of the tripartite relations the Tripartite Agreement has been acting as a mechanism of peace and reconciliation. To show this we need only recall the declaration of the three countries on Albania's independence, a declaration which in that complicated world situation was — and still is — an important contribution to the clearing and consolidating of the situation in the Balkans and to the strengthening of the peaceloving policy in general.

We cannot say that all possible and necessary things have been done either in the field of the tripartite cooperation or international problems, and therefore no efforts are being spared in the three capitals in seeking better ways, more effective solutions and actions. But, what has already been done shows how solid are the foundations upon which the Tripartite Agreement rests, and how constructive are its motives and aims, all of which originate not in the ministerial cabinets, but among the peoples of the three countries. While speaking about the origins of the tripartite aims and motives, it will be interesting to mention here the idea given by the Athens paper, *European Life*, in form of a proposal for setting up of a Balkan advisory assembly. This idea, which contains many other interesting elements, deserves full attention, and it, among other things, reflects the awareness and feeling that the Balkan cooperation is a broad, allround and lasting process, which alone can produce the desired relations in the Balkan region and so become even more capable of contributing to the European and world efforts to stabilize peace and ensure progress in equality.

Among the European countries, Italy, our neighbour, considers that she has reasons to look upon this development in the Balkans with the least good will and confidence. We on this side hold that due to her real interests she herself should be the first to greet it. We do so because we think that in determining their policy people in Rome start from definite suppositions which are common to all peaceloving countries.



Some circles would like to show that the fact that Greece and Turkey, unlike Yugoslavia, are members of the Atlantic Pact is an insurmountable obstruction in the way of expanding the Balkan Tripartite Agreement into a Tripartite Alliance. This fact, it is true, presents a problem of definite significance, and it will have to be solved. But, on the other hand, there are many other countries, members of the Atlantic Pact, which have obligations towards individual countries or groups of countries outside that organization, and so far no one has found it necessary to worry about that or to show that it creates a situation calling for complicated solutions. The United States has certain agreements with and obligations towards countries outside the Atlantic Pact — Spain, Latin America, the Anzus Pact, etc. So has Britain, and perhaps other Atlantic Pact countries, and that has never been considered to be an obstruction to their being members of that organization. Why then should such a possibility in the Balkans be treated differently, particularly when it is known that here it is not only possible but much easier to find a satisfactory way out of the difficulty. In the Balkans this problem is being raised only as a formally legal case, as a question of formal sanctioning the situation and relations between the three countries which already exist and function not only by force of moral-political but real, material components of the tripartite cooperation, such as are, for instance, the talks and decisions of the three general staffs in planning joint defences and the like.

Turkey and Greece joined the Atlantic Pact as sovereign and independent states, and it is justly believed that they have remained such, the more so since the desire to strengthen their independence was the main aim of their joining that organization. Therefore, they alone are called, and justly so, to interpret their own rights and obligations in the Atlantic Pact and to determine their relations with the powers outside it. It would be legally impermissible and politically incomprehensible to try and usurp their right in deciding and solving these problems, particularly in this situation which is full of precedents. The whole problem, reduced to its essence, therefore means that, together with the solving of the matters related to the proposed Tripartite

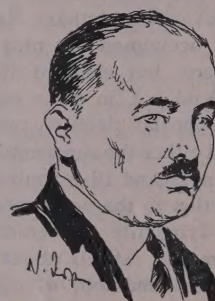
Alliance, Greece and Turkey, as sovereign and independent states, will find ways and means to harmonize their present obligations with the interests in strengthening their security and independence.

It is too early to try and predict what effect President Tito's visit to Turkey will produce on both the Turko-Yugoslav and on the tripartite cooperation. Apart from the fact that his visit has given a strong encouragement to the idea for setting up a Tripartite Alliance, it has been established that this idea is being supported on both sides by the Governments and the people alike, and that it rests on reliable foundations. The reception accorded to President Tito by people both in Turkey and at home upon his return is not significant only as a manifestation of mutual feelings or as an expression of friendship and respect for the leader of new Yugoslavia, but also as a plebiscite approving every word, every decision taken by their leaders, as well as of the idea for a lasting, strong Alliance. The President's forthcoming visit to Greece will pass, we are sure, in the same spirit, and its results will shatter all the remnants of the intrigues which, thrown from outside, attempt to create troubled waters only to be able to fish in them.

People who do not use peace in making politics, and who do not subordinate the interests of peace to selfish and shortsighted speculations, always influenced by lasting national and general interests, will see the future Tripartite Alliance just as it will be: the instrument of security and independence in the Balkans, and the most effective association through which the countries from this area will be able to increase their contribution to the common cause of Europe and the world. For their agreements and aims are in full accord with the principles of the U. N. Charter and with the interests of a stable and progressive Europe. If we could give our advice to the critics of the Balkan Agreement and Alliance we would recommend them to follow the example set by the three Balkan countries, which have found so fortunate forms and so solid principles upon which they are building up their cooperation, for these forms and principles contain the answer to the question asked in many parts of the world where the problem of organizing security remains without solution.

dr. F. K. GKAY  
Wali of Istanbul

## Greeting to the Marshal



We, the citizens of Turkey, were very happy to greet in our country the gallant leader of Yugoslavia, the country of friends and allies.

When I paid my first visit to the Marshal, who personifies all the true qualities of a noble and heroic people, and who has given so many examples of heroism in the struggle for liberation and independence, I felt deep in my heart that our two countries, our two peoples would embrace in the very near future.

This wish was so strong that it became reality in a very short time.

We felt very proud when we saw the encounter of the chiefs of our two countries, for we knew that our peoples had reached understanding and that they could now depend on one another.

Happy are the statesmen who can harmonize feelings with thought, reason with resoluteness.

Thanks to their able Presidents, our two peoples today celebrate the victory of that reality.

God, the Almighty, is with the peoples who defend the bulwark of the peace-loving world.

It was with these feelings that we greeted our guest. And we greet him with the wish for the happiness and prosperity of our friendly and allied peoples.



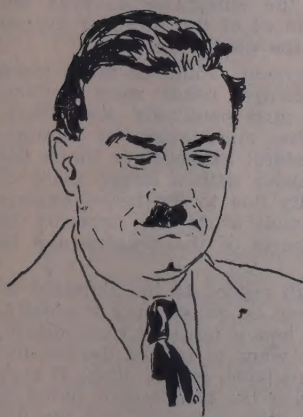
## OPINIONS ON ACTUAL PROBLEMS

Bogdan CRNOBRNJA

### The Problems of Southern Europe

*In the last issue we have published, under the same title, the first part of the report given by Bogdan Crnobrnja, State Undersecretary for foreign affairs, at the session of the Economic Commission for Europe in Geneva, on March 19. That part comprised, besides the introductory survey of the South-European situation, also the chapters: „The Pre-War Economic Situation of Yugoslavia” and „The Post-War Economic Development”. Here is published the second part of the report, comprising the chapters: „The Economic System in Yugoslavia” and „Means for the Development of Southern Europe”.*

*In the present issue we publish also the critical article by comrade Crnobrnja on the Survey of the economic situation in Europe by the Economic Commission for Europe, which was discussed at the Geneva session of the Commission. The Editors are publishing these materials for the convenience of those readers who in their letters to the Editors expressed their wish to be acquainted with B. Crnobrnja's reports in full.*



There is a fundamental difference between the economic system which prevailed in Yugoslavia until 1949—50 and the economic system which is in force at present and is being further evolved.

During and after the Second World War profound changes relating to the ownership of means of production have occurred in this country. The change of ownership has brought into the fore a question of first rate importance for all countries where the state is taking the means of production over from private owners, namely the question of how to manage an economy based on public ownership?

(Countries with a certain amount of public ownership have followed one of the two following practices: limited public ownership of a relatively small part of industry (Great Britain and the Scandinavian countries), predominantly in those branches where public ownership or management are evidently necessary, and the Soviet example, where the major part of the economy is being managed directly through the State).

At the end of the war the Yugoslav economy was damaged and disorganized to a very large extent. The change of ownership broke up the continuity in management. It seemed quite obvious that under those circumstances all resources should be concentrated and that there should prevail a single system for the distribution of commodities. There were no other factors, except the State and its organs, capable of restoring efficiently the economic mechanism. The form of the management of enterprises, as well as the ensuing political and other implications, could not yet be foreseen at that time. Furthermore, it was quite natural and

understandable for Yugoslavia to adopt in its economic development, following immediately the cessation of hostilities, certain Soviet experiences, as it was lacking in experiences of its own concerning the management of economy.

The methods of such management are known on the whole and can be summed up this way: Representatives of State organs directly manage every enterprise; the State takes over full responsibility for the course of the production and for the entire distribution of the commodities produced, by means of broad and all-embracing plans, having the ambition to forecast, in the minutest detail, the economic development and to direct the implementation of the plan.

This leads unavoidably to a clash between the intentions of the State organs and the objective course of the economic development. The State tries to solve this contradiction by stepping up its intervention and restricting the market even further.

However, it would be an error to assume that nothing can be attained by such methods. A vivid example is provided in this respect by this country. Yugoslavia was able to reconstruct its economy more rapidly than any other country on the same level of development. We may add that Yugoslavia suffered much more from war devastations than any of the countries just referred to. The possibility of mobilizing and channelling all available resources constitutes the greatest advantage of countries with public ownership. However, the scope of these methods is very limited, as long as they are restricted to the administrative management of the economy on the part of the State.

Actually, one is soon faced with the problem of how to get the producers interested in the production and in the productivity of labour, and how to solve the ensuing social consequences (antidemocratic tendencies in management, owing to the strengthening of the role of the State and of its organs in the economy).

Therefore, we have very soon come to the conclusion in Yugoslavia that we shall not be able to find a correct method of management and, consequently, for the democratization of the entire social life, as long as we do not



discover adequate forms for the functioning of the economy, forms which will be in harmony with the new situation regarding the ownership of the means of production and the role of the working population. The following two questions are of crucial importance: what force is to replace the private owner in the enterprise, and how is the necessity of planning to be brought into harmony with the existence of the market and of its laws?

As far as the first problem is concerned, practice has shown that — in a democratic system — there is no other force capable of replacing the private owner in the productive process than the producers themselves. The logic and essence of the public owner can be found only in the fact that the personal interests of the private owner must be replaced by the interests of the producers, who constitute the basic social force. It is obviously a very bold theory, which alters the established order of things. For this reason it is blazing a trail with difficulty. However, this concept has already emerged from the realm of pure theory and has ceased to be a mere experiment, for economic life has been developing in Yugoslavia during the last three years under a system where the management of enterprises is in the hands of those who are working in them. Not only has this failed to produce any catastrophic consequences or difficulties, but the period in question represents a real turning point in Yugoslavia's economic position. This is particularly well illustrated by the normalization of the market, the abolition of administrative restrictions, the growth of production and the increase of the productivity of labour (only in 1953, the productivity of labour increased, according to national statistics, by 6%).

According to the statistics, there were in Yugoslavia, in 1953, 151,813 members of workers' councils, including 40,111 members of managing boards, who enjoyed complete autonomy in making decisions concerning the commodities to be produced, the prices to be charged, the course of action to be pursued in the market, and whether to participate in export or not. Not only have the members of the workers' councils proved to be good administrators, but the introduction of workers' management has brought about a better care for the machines and resources in the enterprises, and has led to greater economies of resources. We would indulge in idealism if we failed to underline that we are in the presence of a process which must inevitably pursue a meandering course. There are, of course, cases of good and bad management on the part of the workers. This is particularly due to the fact that cultural conditions and the level of technical and general knowledge are not the same throughout the country. Nevertheless, the fact remains that the Yugoslav „experiment" has shown its vitality; that it is enduring and developing further.

It is impossible to set up workers' management without the existence of the market and its impact. On the other hand, we cannot assume that the workers will manage enterprises properly out of sheer idealism. They must be given the opportunity to make independent decisions concerning economic matters, but the economic interest should be the driving force governing their actions. The workers manage the enterprises, but the amount of wages to be earned depends on such factors as the quality and quantity of commodities produced, the production costs and the prices. All this can be assessed only by the market, and not by the domestic market alone.

Every sealing off of an economy within its national borders and every attempt at autarchy must unavoidably distort the national economy and create new problems (monopoly and other phenomena).

Each country protects its economy in its own way, but the economies of various countries must be interconnected; they must mutually influence one another.

The necessity of the existence of the market is not a doctrinary question, or a matter of system and wishes, it is an objective reality in the present phase of the development of production, and every substitute so far has proved to be unsatisfactory.

In summing up the experience we have derived from the development of our economy, we can point out the following main characteristics of this economy:

1. The enterprise is autonomous in deciding what to produce and how to form its prices. It will be difficult to observe the genuine changes in our economy, if we fail to notice the independence of the Yugoslav enterprise and its right to deal independently with all business problems.

2. The essential characteristic of the internal market is the competition among the enterprises. The enterprises with lower production costs and higher quality of goods pay better wages and have better prospects for progress. This does not mean that short supply of certain commodities, linked with difficulties in the balance of payments, does not enable certain enterprises to make use of their position in the market for raising their prices. However, such occurrences are exceptional. On the one hand, they are checked by fiscal measures, whereas, on the other hand such a situation constitutes a natural incentive for the development of the production of commodities which are in short supply or for the increase of trade with foreign countries.

3. As far as foreign trade is concerned, no State-sponsored enterprise has any monopoly of imports and exports. Each enterprise which produces and trades in the country can be an exporter, provided it fulfils certain minimum conditions of an organizational nature (registration, etc.). Imports are not restricted by means of import licences, but through corresponding foreign exchange regulations. Exports are stimulated by means of supplementary foreign exchange regulations, and half of the foreign exchange earned remains at the disposal of the exporter.

4. In agriculture the producers are not compelled to make any compulsory deliveries to the State whatsoever, and the entire trade in agricultural products takes place in the free market. The state intervenes in order to subsidize an increased production of fertilizers, means for the protection of plants and cattle, as well as investments in public services (research institutes, experimental stations, clinics, etc.).

5. Administrative intervention has been maintained the longest in the field of the investment policy, because a very extensive investment programme in the earlier years has absorbed the available investment goods. The pressure of these projects is still very strong, but, in 1954, 45% of net investments will be made under the regime of credits granted by the banks, i. e. investments will be made in those enterprises or branches which are the most profit-yielding and can repay the loans under the most favourable terms.

6. The foundation of our financial policy is characterized by the replacement of administrative methods by monetary and fiscal ones. The basic problem of our financial policy are the obligations of the enterprise towards the State, which consist of the payment of the turnover tax on part of the production and of the profit tax.

It is obvious that such a system would be much more flexible and efficient if our central needs were smaller, and the burden of taxation correspondingly less heavy. Consequently, in spite of the elimination of administrative pressure, large scale federal expenditure limits the possibility of enterprises to dispose with a larger share of their resources. This is primarily due to the heavy expenditure for military needs, as well as to the necessity to invest in the underdeveloped parts of the country and to repay foreign debts.

The position is similar with regard to the standard of living. The standard of living can be raised only gradually, when a country is faced with heavy military expenditure, on the one hand, and does not want to reduce the volume of investments to an insignificant level, on the other. It goes without saying that the raising of the standard of living is a necessary pre-requisite for further progress and for the efficient utilization of investments, but it will have to develop concurrently with the increase of the production and of the productivity of labour, and should not be detrimental to the level of investments.

The autonomous rights of local authorities and self-administration in all spheres of social life are an essential part of the development of democracy in Yugoslavia. The territorial communities (districts and municipalities) are receiving an autonomy which is not comprised within the usual term of self administration regarding education, health and other problems, but is a much wider concept referring to a territorial community where the economic problems of a given area are discussed and solved. The district council of producers, in addition to other elected organs, disposes with all the economic resources of the district, which are not within the competence of a given enterprise, and decides about the utilization of these resources. Thus, an essential basis is being created for the participation of citizens in decisions concerning economic problems, while the intervention of central State organs is being eliminated.



This system has its specific social aspects. It is reflected, in the first place, in the organization of social insurance under which every Yugoslav citizen has the right to receive compensation in the case of illness, invalidity or old age. Total expenditure for social insurance amounts to 10.2% of the national income.

Finally, I should like to refer to the role of planning in the Yugoslav economy. The planning organs in Yugoslavia do not set themselves the task of laying down fixed economic targets or of determining the distribution of commodities. Planning is concerned with the potentialities of the Yugoslav economy during the coming period, taking into account the economic fluctuations in the world and at home. The following points are used as a basis: the expected growth of the production, the national income and its distribution; and the general potentialities and trends in investing.

On the basis of such an analysis we determine the instruments which are to ensure federal resources for national defence; expenditures on the federal administration and other federal obligations; resources for the development of underdeveloped parts of the country; fiscal obligations of enterprises towards the State (profit tax, turnover tax, interest on fixed capital); a minimum interest rate to be applied by the National Bank to short-term and long-term credits; income tax; foreign exchange regulations for the stimulation of exports or the restriction of the imports.

The federal budget is established on the basis of these provisions and regulations, while the people's republics and local authorities fix their own revenues independently, and establish their own budgets.

Simple mortals cannot pretend to foresee the development of an economy in its minutest details. The purpose of our plans is to forecast the future development of the economy as accurately as possible, bearing in mind the development of domestic and world economic activities. The factors operating in the field of economy are so numerous that certain departures from the forecasts are unavoidable.

At the end of my statement let me return to the problem of Southern Europe and add a few more remarks.

Two sources of capital may be used for the development of the economies of Southern Europe: the internal capital formation and foreign resources.

The experience of Yugoslavia has shown that any serious development programme, particularly in the underdeveloped countries, is necessarily based on the intensified mobilization of domestic resources. On this basis foreign resources may represent a necessary addition to the domestic ones. Otherwise, the development would be rather slow and would depend on many factors outside the competence of the respective country.

We believe that the proposal contained in the report on the economic development of Southern Europe, viz. the necessity of continuing the study of South European conditions, is acceptable. We also believe that we should continue to consider the question of an agency which would have to play the role of a mobilizer of available resources.

We should, however, like to add the following: All the existing possibilities of self-aid between the South European countries should be exploited to the full, whenever the necessary conditions are given. This should be done through the increase of mutual trade (the example of the expansion of trade between Yugoslavia, Turkey and Greece, referred to at the beginning of the present statement, provides the best illustration of such good neighbourly relations); the utilization of existing industries in South European countries and a certain amount of co-operation between the respective industries with a view to adapting them to common needs; the co-ordination of the development programmes of various branches of the economy, in order to ensure an efficient development of trade in the future. Care should also be taken that the resources invested through the agency be primarily used for projects of common interest to all the South European countries. Furthermore, these countries should lend technical assistance to each other.

We should not close our eyes to the fact that certain difficulties will have to be surmounted in our future work, as a result of historical and economic differences actually existing within the structure of Southern Europe. These differences, however, should not prevent a gradual and necessary mutual cooperation for the implementation of a development programme for Southern Europe.

It seems that we shall have to proceed by studying more closely the materials collected and analyses made so far, and by preparing measures leading to a more concrete approach to the solution of the problems set forth in the report on Southern Europe.

## The Economic Situation in Europe

**E**CONOMIC results achieved in 1953 contain encouraging elements. Some of the symptoms, however, should not be ignored, and I propose to say something about the latter. For this reason my exposition will differ from those of the earlier writers.

1. This year's Survey of the European Economic Situation contains bulky statistical material and abounds in facts. One cannot say that it is devoid of interesting comment, yet some other additional data or analysis would not have come amiss. In saying so I am thinking primarily of Yugoslavia.

In this year's Survey, fewer attempts have been made to give estimations and make predictions regarding forthcoming events. True, the framework of world economy in which we today view European economic problems seems to be less clear than at any time since the end of the war. If we were to consider conjuncture alone, the present period might be compared perhaps to the year 1949. But this comparison is inadequate when certain tendencies in current world economic policy are taken into consideration.

2. One of the essential characteristics of post-war economic and political development in practically all western countries, as well as in many others, is the permanent conflict between the supporters of the policy of free private enterprise on the one hand, and those forces which base their conceptions on significant economic and political changes and wish to find or create on this basis such conditions for international economic and other cooperation

as would be more in keeping with current world requirements, especially when stability of world economy and its further, more equal development are at stake. This conflict, which has its political and other aspects, is almost daily reflected both in UNO and on the plane of bilateral and other relations between states. On the international plane these divergences are primarily reflected in the urge for classical, liberalistic, international relations, on the one hand, and in the propagation of new forms of international cooperation on the other. Perhaps it would not be appropriate to regard these two tendencies as clearly differentiated antagonisms, for it is mostly a matter of having certain forms of international relationships (for instance free international trade) interrelated with other actions (for instance public fund financing or technical assistance). But the significance of these differences is so great today that it may be said that men, groups and parties are considered more or less progressive according to what attitude they take towards international cooperation.

3. Development in the world during the last two years seems to have favoured those who advocate private enterprise. This follows partly from the abolition of some administrative controls which had acted more or less as a restriction on economic life. However, viewing the past results of the policy which has been predominant in the last two years, one is confronted with the question as to whether this policy has succeeded in bringing us nearer to the settlement of essential questions of world economy,



such as acceleration of development in under-developed countries, expansion of international trade, increase in international payments. As a matter of fact, the last two years have seen a certain decline in the volume of international exchange. And, what is perhaps essential — the years of the revival of liberalistic tendencies coincide with the slackening in the rate of increase of Western production. This may not be an ordinary stagnation — as this year's Survey suggests, especially on pp. 43—44. Here the Survey points to the social implications of such economic policy. In our opinion, these implications are much broader than the Survey would suggest.

4. Therefore it is my intention again to emphasize that any neglect or slackening of interest in the progressive measures and methods which are being particularly examined in all the UN organs may do incalculable harm. It seems to me that this danger exists, in a greater or lesser degree. No matter how we view the period in front of us (primarily the short-term one, and to say nothing of the long-term period) there is no occasion for excessive optimism. Many factors lead more or less to this conclusion. The Survey for 1953 states that the improved situation may to a great extent be considered as a result of provisional and special factors which helped to improve the financial situation in Western Europe. Similarly, the Federal Reserve Bank in Washington states that the improvement of monetary gold and dollar reserves in foreign countries must be viewed with caution. The organization for European Economic Cooperation also says in its fifth annual report that there is no likelihood of an increase of internal demand in Western Europe and overseas demand for European exports. The production of finished steel in Western Europe has fallen by some 570,000 tons. This is the first decline in steel production since the war (See Survey, page 5).

The situation in the USA economy is likewise quite unclear. True, the President of the USA spoke with much optimism in his January message, assuring his hearers that American economy was „self-adjusting“. But even on the assumption that the USA will not experience serious economic set-backs this year, but only an „adaptation“ of its economy at a lower level, this cannot take place without any consequences for Western Europe and the rest of the world. As I have pointed out, there is a tendency to abandon most of the economic and political measures which in former years constituted elements of social and economic security. These measures might be described, from the viewpoint of world economy, as embryonic coordination of world interests.

5. The chief argument in support of the revival of economic liberalism rests on the supposition that world economy has found its balance, that prices and living expenses have been stabilized, and that under these conditions state and international actions are no longer necessary. This supposition, however, takes no account of the fact that the present state, which is described at present as a kind of balance, may very quickly give place to a completely different state. International economic structure is no more harmonious than was that prior to 1929, and it may be said that certain structural disproportions are even greater. But this, so to speak, surface balance, is maintained only by means of a series of special economic and non-economic measures.

Armaments, in addition to other factors, are still, in their own way, a help to economic activity. But assuming that relations in the world will begin to develop more favourably than hitherto, it would be difficult to continue arming (at least at the present rate). Hence this so-called stabilizer of economic development ought to be disregarded. The expansionist effect of armaments on economy has been more or less exhausted. It is clear that reduction in armaments would free huge potentialities of manpower and material means, which could be used for constructive purposes. But such a reduction cannot take place without deep and serious economic repercussions, unless steps are taken for a corresponding action on a national and international scale.

6. There is no doubt that the policy pursued by the Soviet Government together with the East European governments unfavourably influenced the economic situation in the world, especially in Europe. In the post-war period this policy was not conducive to the advancement and strengthening of international cooperation. It is evident that both sides suffered from the results of their policy, and Yugoslavia, as is known, was affected by its economic and other consequences. Lately the East European countries

have shown more willingness to increase their trade with the rest of the world, particularly with Western Europe.

If they cherish a sincere desire for the revival of international trade, this may be a step towards the normalization of relations between nations.

The problem of international trade nonetheless constitutes only one of the fields in which international cooperation may be realized. Up till now the above-mentioned countries have not said anything about other important world economic problems.

7. In the light of these comments, it may be not without interest to refer briefly to the recently published report of Randall's Commission. Randall's report contains positive recommendations on the International Monetary Fund, on technical assistance through UNO, on the powers which the President of the USA should be given regarding tariffs. If these recommendations were carried into effect, it would certainly mean a contribution to international cooperation. Most of the report is devoted to the creation of an atmosphere for encouraging private international financing, and this means neglecting the role which public international financing should play at the present time.

8. The facts I have set forth here heighten the uncertainty of the economic situation in Europe. Although in 1953 the position of the European payment balance, that is, the dollar balance, improved, although supply is better and internal prices show a tendency to fall, or at least to stagnate, although conditions of exchange have improved, the significance of these facts should not be over-estimated, especially when linked with the movements of European production, trade and employment. Meanwhile, progress itself in the financial field is either the result of transitory factors or of a policy which has resulted in stagnation, even decline in production, or — as said in the Survey on page 204 — „a continuing under-utilization of resources in European countries“. Reading last year's economic publications in Europe we shall see that the two words most frequently used are „stagnation“ and „stabilization“. Perhaps it is unimportant to establish which of these two estimations is the more justified. What is important is that the present volume of European production, and the rate at which it is increasing, are not satisfactory. That is why this year's Survey quite justifiably calls for restraint in regard to the estimation of the further development of European economy.

9. It cannot be said that the Survey views with optimism the question of convertibility. Through this and earlier Surveys there runs a thread which points to changes in the structure of world economy as a basic factor for determining the trends of modern economic policy.

To state our attitude more precisely, we must point out that Yugoslavia is not against the freest possible relations on the international plane. But the aim should not be convertibility for the sake of convertibility, which would chiefly serve for financial transactions that would contribute very little to the balancing of payment deficits. On the contrary, the aim of convertibility should be a general and stable broadening of international exchange. In order to achieve this, it would be necessary to create pre-requisites for ensuring development of wider and freer international economic relations.

10. The expansion of international exchange, which we all desire in the final analysis, means changes in production, and changes in the international distribution of labour. These big changes cannot be brought about without important international actions, which should not merely embrace trade agreements or international financial arrangements, although international financing will be essential in the majority of cases. New international actions for the advancement of production should be complex; they should take into account certain financial, commercial and technical aspects, so that actually these actions may, to a greater or lesser degree, constitute the coordination of economic development of our country.

As we said last year, Yugoslavia is ready to take part in these international actions if they are based on the respecting of the equality of the participating countries. The new international actions which are necessary should lead towards the strengthening of European economy. In our opinion Europe should be a very active factor in such actions, it should be capable of mobilizing much greater means for carrying out such actions, whether on the European plane or outside it, for covering non-European needs. Thus both European and non-European development would be greatly stimulated.



## Where is France Heading for

IF a humorist were to be asked: Where is France heading for?, he would most probably reply: „She does not know where she is going, but she is going there all the same”. This joke, however, would be far from the truth today. The French are perfectly aware of their misfortunes. In no other country does the press attack so fiercely and so frequently the mistakes of those in charge. It would be more correct to say that the French well know where they are heading for, but that there is among them no collective will or policy that could stop them from rushing into a catastrophe. Their crisis consists not of farsightedness but of helplessness. Now, let us consider some of France's current problems.

In the first place the country is economically and socially in stagnation and retrogression. While other competing economies have increased their output by 20 to 30% over the 1929 level, France made no progress at all. Not long ago, a report drawn up at the request of the Minister of Finance showed that prices in France were twenty times higher than in other countries. Employers tried to explain the causes of this disproportion by social expenditures and the equalization of wages for men and women. But, experts in the national economy did not find it hard to show that the reason for this is to be found in the existence of a favoured sector (special high prices for grain, sugar beet, etc.) and a parasitic caste (600,000 agents more than in 1938). To this we must add also other important unproductive expenditures, mainly for the war in Indochina. Furthermore, there is a great inequality in the distribution of the sources of national income. About 60% of the revenues come from indirect taxes. And in direct taxes most is collected from the working people. The farmers pay only 15 billion francs in taxes, and the workers pay as much as from 200 to 300 billion francs.

In this situation the present Government makes pretences only to appear that it does something about it. It has just drawn up an eighteen month plan. But this plan for expansion is largely limited to provisions for increasing credits and to possibilities for freeing investments from all taxes. It does not say anything about a measure that would really be a stimulus to production: the increasing of the consumers' buying power by a general increase in wages. It is worthy to note that the second plan for investments and modernization in industry, drawn up by the General Commission for Plans, has not yet come into force, though the first plan expired in 1952. This plan for investments and modernization provided for increases in consumer goods and agricultural production amounting to about 20%. The sale of this surplus in production was to be ensured by increasing the buying power of the people throughout the country by about 10%, and by finding new markets in

overseas territories and underdeveloped countries. New markets could have easily be found, it s true. But, unfortunately, that plan got burried in somebody's desk, and was replaced by a caricature — the said eighteen month plan. This inefficacy explains the deep dissatisfaction which was manifested through the strikes of last August and through the peasants' barricades. While I am writing this article rumour are going around that the General Confederation of Labour and the French Confederation of Christian Workers are organizing a general twenty-four hour strike for April 28th, so as to force the Government to accept the demand of the National Commission for Collective Agreements that the minimum wage of 25,000 francs per month should be guaranteed to all professions.

The recovery of French policy cannot take place without new political re-groupings which would place the Government under control of the working masses and end the present situation in which the majority is oligarchic in character. The Minister of Finance has just decided to free trade by lowering tariffs, complying thus with the request of the Organization for European Economic Cooperation. He, however, reserved the right to protect the weaker economic sectors by special compensation taxes. This was, in fact, a concealed devaluation which will deliver a heavy blow to the French economy. It might further deteriorate the economic and social crisis. In the present circumstances the consequences of this policy will be most hardly felt by the economically weakest sections of the community.

On the other hand, we see that the same helplessness and the same passive policy also prevail in colonial affairs. Since 1945 none of the conflicts between the Government and the dependent peoples have been solved. What is more, these conflicts have gained in sharpness everywhere except in Negro Africa, which is a relatively quiet region. The latest and the most eloquent example of this is the conflict over the French possessions in India. There has long been a plan for settling this dispute, a plan drawn up by rational Frenchmen and Pandit Nehru. But, instead of accepting this plan, which would be a new encouragement for the spreading of French cultural influence, the French Government, using falsified election results, imposed upon the possessions an administrative party, which was sovereign in governing. Now we see that this party, too, has changed its attitude, taking advantage of its position in the Council of the Government in the possessions to demand their annexation to India. The French Government, instead of benefitting from this lesson, has become, it seems, even more persistent in its attitude. In Tunisia a plan for various reforms was introduced without a prior consultation with the Neodestur, a party which is generally supposed to be supported by a great majority of the Tunisians. The Tunisian national



leader, Habib Bourguiba, has been in prison ever since the beginning of the crisis there. All the national parties, naturally, rejected the plan drawn up under such conditions. In Morocco we have been facing terror and counter terror since the Sultan was deposed.

In national affairs, the present Government made greater progress than its predecessors insofar as it expressed openly its wish to talk with Viet Minh in Indochina. But, it is clear, that its desired action is being vetoed by Mr. Foster Dulles. We now learn that one of the conditions forwarded by the French Premier for a cease fire in Indochina was a plan for dividing the country. This plan will not surprise anybody if we recall the attitude of the opposing sides at the beginning of the conflict: Ho Chi Minh was satisfied with the independence he had won in a part of Viet Nam (Northern and Middle regions), and the French administration was inclined to keep the South (Cochina), where it had set up a puppet government which was later inherited by Bao Dai. Today, however, they all demand both the unity and the independence of the country, just as it was the case in Korea. This shows us that strivings of the people are little things to which no attention is paid by the great powers which head large strategic blocs.

Apart from the European Defence Community, the problem of Indochina is now France's greatest international problem. As far as the Defence Community itself is concerned, the internal differences have become even more marked after the case of Marshal Juin. Though nothing can be said positively, it seems that the EDC Treaty will hardly be ratified. In any case, one thing is certain: apart from some pacifists and idealists who oppose German rearmament in any form, most people who are against the European

Defence Community accept Germany's rearmament within the Atlantic Pact. This shows us the scope of the confusion in France today, as well as the ambiguous and dangerous character of the alliance proposed by the Stalinist party in France. It would have been impossible to act otherwise even if it had been desired to bring about a reactionary and chauvinistic danger. In the end, one invariably reaches the same conclusions: Without an internal recovery, France cannot adopt a correct foreign policy. And interventions from outside, which are almost always a cause for differences, prevent such a recovery.

Discussing France's illness, the well known French author, Francois Mauriac, wrote recently in the weekly paper Express: „Had the Communist Party of France produced a Tito, a man that would not tolerate any control from Moscow, France would perhaps be her own mistress today...” As it is, says Mauriac, the French Communist Party will remain an empty promise and an impossibility for the Frenchmen.

There are good conditions for France's recovery, and even for a new French revolution, but they are being destroyed by bad government. In our country most people believe that the disastrous colonial policy must be changed. The desire for a change was expressed by masses of workers during the recent strikes. Our students have faith in their trade union movement (great strikes at the universities); our working and peasant youths want to rise above ignorance. In all sections of the community there exists a strong desire for a new left party. But there are no leaders capable of uniting these forces. There are no initiators who could use them as a remedy for France's recovery.

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## Anatomy of a Crisis

IN mid 1953, lovers of peace, freedom and democracy, the world over had welcomed the truce agreement in Korea and the then existing trend towards the general easing of the international tension. It was also generally hoped that the apparent initiative for lessening the tension in Asia and other parts of the world would be encouraged and more efforts made to achieve a settlement of all outstanding disputes in such a manner as would ensure complete independence and sovereignty for all the peoples concerned and unfettered freedom to fashion their life as they see fit.

Intimately and causally connected with the lessening of tension in Asia and other parts of the world is the question of peace. Lessening of tensions and a four power or five power agreement will never create by itself conditions in which peace may inhere, because the present international situation is a legacy of war time and post-war policies of the Big Four and such of their understandings as the Teheran, Malta, Potsdam, Yalta agreements.

A close examination in retrospect of such war time efforts at agreement as those which travelled a long distance from Teheran to Yalta and later after eight years to Berlin, will be necessary for the understanding of the prospects for future and for peace. At Potsdam for instance the spoils of war in terms of nations and peoples were shared.

Allies in the cause of „democracy and freedom” on the one hand and „people's peace” on the other walked into the parlour of the United Nations making it believe the world over that the U.N.O. was their gift to the peace loving peoples as a long term peace effort. But the vested interest of either lay elsewhere.

The favourable conditions after the downfall of the Axis, the general confusion prevailing in West Europe and the mantle of peace gathered while the Soviet myth was being built up during the war, helped USSR to embark on the sly on a policy of creating its hegemony over as large parts of Europe as possible. One after the other, countries of East Europe — Poland, Rumania, Bulgaria, Czechoslovakia — were conquered through the Red Army and Communist Governments installed in these. Potsdam secured a sizeable slice of Germany to it in addition. With its intervention in Prague in 1948 and the rise of Mao Tse Tung in China, international communist movement entered a phase of rapid expansion. East European countries were incorporated into the Soviet economic and defence systems in the name of „peace policy” while the emergence of Communist Government in China, saw the unfolding of a „liberation movement” in the countries of South and South-East Asia. Communist Parties created in these countries of Asia during the early years of the Communist regime in Russia, were carefully disciplined, nurtured and transformed by the Soviet Government into submissive instruments of the Russian states, over a period of a decade intervening the two world wars. In the post-war period these Parties became effective instruments for the spreading of Russian hegemony over new lands.

The establishment of Communist regime in China more or less synchronized with the Moscow directed liberation wars in such countries like India, Burma and Indonesia. The elusive Mr. Lenin, probably in a revolutionary flight of imagination, had said that „the road to London lies through Peking and Calcutta”. Post war situations gave Russia an opportunity to translate Mr. Lenin's dream into reality, via

*Madhav Gokhale, the Indian Socialist and Secretary of the Asian Socialist Conference, expresses in this article his views on some Asian and European problems, in particular on the present policy of great powers in Asia and elsewhere. The article will be concluded in the next issue. The Editors publish the article as Mr. Gokhale's own opinion.*

Peking. The Soviet intervention through Peking in Korea and Indo-China, and through the respective communist Parties in India, Burma, Indonesia, Malaya etc, may well be imagined by some as Picasso Dove policy and a fight against imperialism, but in its proper perspective and setting has to be understood as a pattern on the loom of Soviet expansion.

Russia's „peace policy” in Europe and „liberation policy” in Asia soon came in sharp conflict with the revival of the old policy of „balance of power” by the leading West European powers in conjunction with the U.S.A. In the war against Nazi Germany all possible armies were assembled in Europe. If Russia sought in the name of „peace policy” a political confirmation of its military positions which it had won as a consequence of Germany's defeat, U.S.A., Britain and France sought their's in the name of „balance of powers”. If Potsdam was a joint attempt to rationalise these military positions through the politics of spheres of influence, a failure to achieve a clear demarcation of these lead to political confirmations of respective military positions sought severally.

That was the beginning of the cold war, the heat having been expended earlier against the Axis Powers. As a result of the continued cold war, tension areas and danger zones have increased. „Peace Policy” of the Soviet Bloc and the „balance of power policy” of the Atlantic Bloc have led to the massive rearmaments; economic and defence consolidation in the respective spheres of influence of the two policies; and constant interference in the internal affairs of other states and exercising of sustained economic, financial, political and military pressures by the U.S.A., U.S.S.R., France and Great Britain. Too long have these big powers sought situations of strength in the world — the U.S.A. in Japan, in Burma through the K.M.T., in West Europe through NATO, in the Mediterranean basin through Turkey, Greece and the projected MEDO and in South and South East Asia through the rivalry with Great Britain; Soviet Russia in Eastern Europe, in Indo China, Korea and Tibet through Red China, and in the countries of South and South-East Asia through the instruments of its Foreign Policy — the Communist Parties, Great Britain in West Asia through the Arab-Jew tension, through the Commonwealth and consolidation of the Empire and France through similar efforts.

These interferences by the Big Powers in the life and affairs of other States, the pressure exercised by them and the fear they inspire inevitably cause ever increasing tensions and conflicts among these powers.

It was in this perspective that the Big Four met at Berlin, discussed the consequences of Potsdam and agreed to meet at Geneva together with the Big Fifth, Red China, to decide the „fate” of Asia.



While, lovers of true peace the world over, would welcome the meetings between the Big Powers, the hopes inspired by such meetings will again be cheated. Moscow and Washington have often talked of co-existence through general understanding between the Big Four or Big Five. This necessarily means mutual concessions and compromises in agreeing temporarily, as was the case at Potsdam and Yalta. Berlin meeting did not succeed primarily because the boundaries of spheres of influence and contours of power political adjustments remained resolutely unsolved.

Similar fate awaits Asia at the Geneva conference. The four power or five power approach is limited to crazy search for short term solutions. Because the spirit of Potsdam and Yalta still prevails and propels, agreements may well be reached at the expense of small peoples and states. Such agreements will not inhere peace, but will inhere tensions and rivalries. More so because two capitalist systems, one private capitalism and the other state capitalism, are an insuperable obstacle to the peace and a deep-rooted, constant cause of the danger of war.

Under such circumstances is a Big Four or Big Five Power understanding, the only condition for peace? May be that in order to create conditions which will inhere peace, a Big Powers' understanding will be necessary as an inescapable political fact. But how and in what spirit?.

#### THE PROBLEMS IN EUROPE: GERMANY

The problem of Germany is the one biggest problem which the Big Four refused to resolve at their recent meeting at Berlin. At any stage of the Berlin Conference a settlement never appeared to be the objective, though relaxation of the tension was the primary motive. In the various phases of the cold war in Europe, and the various talks between the Big Three and Big Four, the inherent tendency has been to relax tensions by accepting things substantially as they are. If the plans submitted by Molotov, Eden and Bidault are examined dispassionately, they would reveal that while negotiations are undertaken for a de-jure settlement of the disputes, the tacit understanding seems to be that the de facto position should continue. This desire to accept things substantially as they are is coupled with a community of anxiety shared by all — the prospect of living with a reunited, rearmed, unoccupied and sovereign Germany.

Berlin has proved beyond doubt that neither the Soviet approach nor the Atlantic approach would ever solve the problem that is Germany, both in its short term and long term aspects. The short term solution of Four Powers occupation and division has failed in the first place because both the Soviet and the Atlantic, threw over-board the ad hoc nature of the arrangement and proceeded to politically and militarily accomplish the fact of military occupation, and secondly because the long term designs of both conflicted.

If therefore, the Germans, both at East and West, feel today that nothing short of a miracle will reunite them into a democratic peace loving, sovereign Germany, they will be perfectly justified, and inherently out of this justification may rise in future the forces which the Big Four ostensibly wish to eradicate from Germany.

Germany continues to remain the phenomenal child of the European civilization, an unpredictable freak which through Hitlers may menace the very existence of Western civilization or through a democratic, peaceful, constructive and sovereign development may menace the designs of the Soviet and Atlantic blocs. The Big Four seem to want to avoid either of the developments.

A solution of German problem, thus, besides other things, depends upon, in the words of Osten Under, the Foreign Minister of Sweden, two major bargaining points between Soviet Russia and the Western Powers, viz., „The Soviet Union should make a vital concession by agreeing to withdraw, militarily, politically and economically from the Eastern Zone and by accepting the establishment of united Germany through free elections. The Western Powers on the other hand, should make an equally vital concession by agreeing that the united Germany should not enter into any military alliance, and accordingly abandon the idea of integrating Germany into the Western defence system”.

The European Socialists' slogan of „German unity in freedom” will be meaningless if they insist on the „freedom”

to mean German participation in E.D.C. The fantasy of Supra-national authority, developed during the past few years in West Europe, as a guarantee against Soviet aggression which is a reality and as a guarantee against the rise of militarism and fascism in Germany which is a subjective fear, cannot solve the German problem.

The approach of the German Social Democratic Party to the question of German unity is an approach to peace. If the Socialist International, by and large failed to appreciate this approach, it is because the Socialists of Europe still are slaves of a subjective fear of Germany including its Social-Democratic Party.

Re-unification of Germany in freedom and as a guarantee against resurgence of fascism may well be attempted along the following lines:

- 1) East Germany should be de-sovietised immediately. The Soviet Union thus should make a vital concession by agreeing to withdraw from the Eastern Zone.

- 2) Simultaneous de-Atlantification of the Western Germany. The Atlantic Bloc should also make a vital concession by withdrawing from the Western Zone and abandoning all plans for the integration of Germany into the E.D.C.

- 3) Establishment of a government of united Germany through free elections, conducted by the United Nations.

- 4) Admission of united Germany into the United Nations. The new Germany will thus be subject to all the stipulations governing membership in the United Nations. A democratic, free, united Germany as a member of the United Nations can play an effective role in building for peace.

- 5) The right of Sovereign Germany to form alliances should be unfettered; but as an interim measure, guaranteed neutrality and security of Germany is a worth while solution.

The situation today is such that the German problem must find its solution in the United Nations. The disinherited and outcasts of modern civilisation may well consider the taking up the German question to the forum of the United Nations Organization.

#### A U S T R I A

The Austria of today with the Four Power occupation and without a peace treaty is a Hitlerian sin continued by the Big Four. Ever since the rise of Dolfuss in 1933, the people of Austria lost their liberties, the nation its freedom. Hitler's „Anschluss” occupation for ten years and subsequent ten years now by the earstwhile Allies, must weigh heavily on the conscience of Europe.

Un-necessarily made dependent upon the resolution of German problem, the Austrian Peace Treaty and the country's consequent sovereignty is much over due now. However that may be, the necessity of an Austrian Peace Treaty is a rank absurdity. Austria belongs to the class of liberated countries. It is an irony of fate that the country and its people should be required to pay for the sins of Hitler. For over five years Austria did not exist. It was a province of Germany.

But the Four Powers occupation and the artificially articulated necessity of an Austrian peace treaty has been a clever adjustment by the earstwhile Allies. During the past seven years or more, Austria has proved a pleasant clearing house of East-West conversation, political and economic. If the Big Four decide to continue the status-quo, the occupation would offer a convenient no-man's land to them as a shock absorber.

That the Berlin Conference could not even decide to end the occupation of Austria is an indication of the bankruptcy of the Big Four in regard to the problems of peace. Like Germany, Austria too needs U.N. intervention. The Asian-African group of nations would do well to wrest the initiative from the Big Four and take it to the U.N.

(To be concluded)



## Great Britain, Indo-China and the H-Bomb

I am writing at the moment when Mr. Dulles has arrived in London in the hope of inducing the British Government to accept the American policy of sabotaging the Geneva Conference before it meets. From London he will proceed to Paris on the same mission. It is greatly to be hoped that he will fail in both places; but I am afraid this cannot be taken for granted. Neither the British nor the French Government wishes to do anything that will not only destroy in advance all possibility of achieving any agreement at Geneva, but will also make clear that the breakdown there is the doing of the Western Powers. I do not think either Government regards it as likely that the Geneva Conference will succeed; but both would prefer to be able to attribute its failure to Russian unamenableness, as they tried to do in the case of the Berlin meeting. The state of public opinion makes it highly important for both Governments to be in a position to act in this way; for in both countries it is beyond doubt that there is a strong wish for a settlement and a deep reluctance to see anything done that will increase the danger of extended war anywhere. The reluctance was there even before the recent terror-inspiring experiments with the hydrogen bomb, which have increased it greatly, not only by making ordinary people really afraid for the first time but also by making them realise, as they had not done before, the sheer horror and moral turpitude of atomic warfare. In Great Britain at any rate there has been a strong revulsion of feeling, which would turn against the Government were it to yield to the Americans by supporting any policy that would seem to bring war nearer — at any rate before the Geneva Conference has met. What the mental climate will be after the Geneva meeting nobody can yet tell: it all depends on what happens when the rival Powers meet.

At the moment of writing I do not know precisely what Mr. Dulles is about to propose. There have been rumours that he will ask for a promise that the Communists will not be allowed to win in Indo-China, or in any part of it, and that he will demand either the direct participation of British contingents, together with American and other United Nations forces, in the Indo-Chinese War, or alternatively British and United Nations support for the dropping of atomic bombs on China itself unless the Chinese agree to withdraw all support from Viet-Minh. I find it difficult to believe that he will go so far, at any rate directly. It seems much more likely, in relation to China, that he will demand a complete blockade of the Chinese coast by Britain and France, or even by the United Nations as a whole, or at least British and French support for such a demand at the United Nations. I cannot tell whether he will also demand participation of British units in the fighting in Indo-China. Perhaps he will; but this demand too, if it is made, seems likely to be put at this stage only in a conditional form, to be implemented should the Chinese refuse to withdraw all help from Viet-Minh.

To me, and I feel, sure to the great majority of Labour supporters in Great Britain, all these demands are entirely unacceptable. They are also most unwelcome to many Conservatives, and to the main body of British public opinion irrespective of party. There are, however, influential groups which are prepared, in the last resort, to do or sanction anything the Americans insist on rather than quarrel with the United States. The reasons for this attitude are partly economic, for the withdrawal of American aid from Western

Prof. G.D.H. Cole, the known British Labour theoretician, discusses in this article some of the most important problems of the present international situation, in particular the problem of Indo-China and of Western policy on the eve of the Geneva conference, the problem of Malaya and the significance of the H-bomb in the political combinations of great powers.

Like his earlier contributions to the „R. of International Affairs“, this article also bears a mark of Prof. Cole's own approach to the important questions of present-day world.

Europe, or from any leading Western country, would still have very serious economic effects on British trade and on the balance of payments — for example, on the European Payments Union. But the reasons are even more political. Many people are still scared of the possible effects of even a partial withdrawal of American forces from Europe, and regard the maintenance of the American alliance as a *sine qua non*; and there are also the influential capitalist groups which regard the maintenance of French authority in Indo-China as indispensable for the successful holding of Malaya by the point, of course, the political argument ties up with the economic; for Malaya is still a very important dollar-earner for the British balance of payments, and many people in this country are ready to insist that British control in Malaya must be maintained at all costs, though only some of them are prepared to go to the length of urging that this means helping the French to keep control in Indo-China as well. Even many Labour people will defend British rule in Malaya for the time being, on the ground that the country is not yet ripe for self-government, and cannot be until the Communists have been finally beaten. For my part, I dissent most strongly from this view, and disapprove of British policy in Malaya. I think we should fix a definite date now for getting out and leaving it for the inhabitants of Malaya to decide for themselves whether they wish, like India, to remain within the British Commonwealth as an independent partner, or to leave it. But I cannot pretend that this is the accepted Labour Party opinion, though I believe it would be the view of the majority of Labour supporters if the question were squarely put.

The Malayan issue lurks in the background of the issue of Indo-China, which alone is being directly discussed. In respect of Indo-China, most people here would like, as would most people in France, to see a settlement; but comparatively few of them realise the practical difficulties. Mr. Dulles is said to be pressing the French to cover up their control of Indo-China by granting full nominal independence to its constituent areas — Cambodia, Laos, and Viet-Nam — within the French Union, under conditions which would establish Bao-Dai as Emperor of Viet-Nam in the same way as Syngman Rhee is President of a nominally independent Korean State maintained by American military power and economic aid. I do not know whether he is prepared, in the last resort, to allow Ho Chi Minh to be established at the head of a separate Tonkinese-Annamese State in the north: probably not. Whether or no, such a State could hardly be acceptable to the Viet-Minh unless it included the whole of Annam as well as Tonkin, leaving



only Cochin China to Bao-Dai and the French; and even so, the settlement would be as artificial as the division of Korea and could last only as long as the French, or someone else on their behalf, would go on fighting for it — which most Frenchmen appear very reluctant to do. Naturally, what I as a Socialist should like to see is the dismissal of Bao-Dai and the recognition of Viet-Nam as a whole as an independent State under Viet-Minh, attached or not to the French Union, but, if attached, really independent and no longer occupied by French or any other foreign forces.

I want this because I am an opponent of Imperialism no less when it wears the cloak of Anti-Communism than when it appears undisguised. I believe that the peoples of Asia have a right to work out their own destinies free from military interference by the Great Powers, and that attempts to keep them subject to European — or American — domination are bound to end up in wars which may easily provoke world war and will in any case make a world detente impossible. From the outset I was utterly opposed to British participation in the war in Korea and also to British policy in Malaya (because it gave no assurance of our readiness to concede independence). I would much sooner see Korea or Indo-China or Malaya under Communist rule than held against the will of their inhabitants by foreign military force; and I regard full recognition of Communist China, including of course its seating in the United Nations, as an indispensable first step towards the right handling of the problems of Asia. I have, however, no hope at all that, at present, the Americans will be prepared to accept this: there can be no hope until the prevalent anti-Communist hysteria in the United States has been given time to subside. All one can hope for, in the immediate situation, is that the British and French Governments will be induced, by fear of the public opinions of their own peoples, to hold back from accepting commitments which will lead them, not towards recognition of China as a full partner in world affairs, but towards at the least blockade and at the worst open war waged with atomic weapons.

This brings me to a consideration of the new situation that has been created in the world by the recent American experiments with the hydrogen bomb. It is to be presumed that these experiments were meant to terrify. Their purpose was to frighten the Chinese, and perhaps the Russians, into accepting an American-dictated settlement of Asiatic, if not of world, affairs. Immediately, they were directed to influencing the Geneva Conference and to making it clear in advance that the United States had no intention of being amenable to any proposals for a compromise on the Chinese issue. They were not, I think, intended to frighten either the peoples of Western Europe as they have undoubtedly done, or the American people, who appear so far to have been less frightened by them than one might have expected. (But we do not really know yet what the effects on American public opinion have been). Here in Great Britain the effects have been startling, not only in frightening people and in arousing feelings of horror at the prospect of war, but also I think in compelling many people to realise for the first time what being tied fast to the Americans may actually involve. I do not mean that most people here are now ready to break the alliance with the United States: I do not think they are. But they are beginning to be seriously worried about its implications and to hope for a change in the temper of American opinion, and for a change in government in the United States before the worst happens. Certainly this is the situation among Labour supporters; and it was the fear that it might be so among Conservatives as well that led Winston Churchill to do all he could to throw on the Labour Government the blame for giving the Americans the right to do what they please about the use of atomic weapons even without their allies' consent.

In practice, the Labour Government could not have done anything else, though it could have protested instead of acquiescing in silence. The United States Congress would have taken this right, whatever other Governments had said. The American Constitution in effect makes the United States a law unto itself, and, backed up by the extremely nationalistic attitude of Congress and of American public opinion, makes it impossible for the American Government to enter into any international obligations that are effectively binding. Of course, this could not happen were not the United States the richest and most powerful country of the world, and in a position to make and unmake decisions by unilateral action because of its hold over other countries. It is, however, as matters stand, a plain and most inconvenient fact

in world politics, and one which makes dependence on American promises and help exceedingly dangerous to those who accept American leadership.

Clearly, these atomic bomb experiments ought to be stopped, not only in order to prevent the slaughter of more innocent victims by them, but also because their continuance will serve no other purpose than to threaten war. They are no longer simply experiments: they are provocative armed demonstrations. They fit in, no doubt, with the new United States strategy of reducing the number of men under arms and the reliance on conventional weapons and concentrating instead on the hope of terrorising the rest of the world into accepting American omnipotence as the supreme fact of world affairs. But this strategy, if it fails to procure surrender, as the dropping of the first atomic bomb on the Japanese procured it in 1945, will have, to say the least, very grave disadvantages. It will leave the Americans in a position, in relation to what they regard as Communist aggression, to choose between only two courses — dropping bombs on the Russians or the Chinese and thus starting off total war, with the most horrifying consequences, and paying or coercing other countries into fighting their battles for them, as they have been doing to an increasing extent with the French in Indo-China. What this policy will mean in Europe is that the European States will be forced to maintain much larger forces and armaments than they can afford, and to accept Germany's re-armament in order to find the men they cannot spare. For Great Britain it will mean in addition the incurring of heavy costs in money and man-power in waging colonial wars to keep out the Communists, and possibly the sending of contingents to fight in Indo-China on the side of French Imperialism. The French, no doubt, are fighting their war against Viet-Minh to an increasing extent, not with their own nationals, but with foreign mercenaries and native levies; but even so their losses in French officers are very serious for them. Great Britain, now that Indian forces are no longer available, cannot easily replace its own man-power — which it can ill spare — with troops from its colonies, or from any other source. Any attempt to use, say African levies for such purposes would strengthen the forces of colonial revolt, and make the situation very much worse by requiring yet more British troops to suppress them. Great Britain has more than enough on hand already in Malaya and East Africa and the Middle East: it cannot, even apart from considerations of good policy, afford further commitments.

When, however, we turn from this negative statement and try to propound a positive policy, great difficulties at once arise. Clearly, the use of atomic warfare ought to be outlawed, as the use of poison gas and of bacteriological warfare has been already. But is there the smallest chance of the Americans agreeing at present to such a prohibition? I fear not; for Congress would refuse to believe that it would be obeyed by Russia, even if the most solemn promises were made; and even limitation of such weapons would hardly be accepted by them without provisions for inspection for which it would be immensely difficult to find a basis of agreement between them and the Soviet Union. That is no reason for not discussing the matter; but it would be unrealistic to place high hopes on the outcome of the discussions.

If prohibition of atomic warfare by agreement, and even agreed limitation of armaments, prove to be impracticable in the present state of American opinion, what is there left to do? Nothing, except to play for time and to put up the stiffest possible resistance to any fresh measures that are liable to make the position still worse than it already is. In Western Europe, this means continuing to work by every available means for the prevention of German re-armament, the case against which I do not propose to argue here because I have stated it already in a recent article. In relation to Asiatic affairs, it means refusing absolutely to be drawn into the war in Indo-China or into any measures against the Chinese Republic, and also doing what can usefully be done to strengthen the forces in France that are on the side of bringing the war there to an end, even against strong American opposition. Nearly everyone I know in France, to whatever party he belongs, has come round to the view that France ought to come to terms with Ho Chih Minh, even on conditions which many of them would have rejected as altogether unacceptable a year ago. But the French Government dare not end the war, partly from fear of what the Americans would do, and partly because the politicians do not see how to end it without discrediting



themselves. The public opinion which favours getting out of Indo-China is indeed made up of very mixed elements — or it would have forced the Government to act long ago. Often, foreign advice to a country about how it ought to act does more harm than good, by arousing resentment; but I do not think this applies in the present case. The French, or most of them, would like to be pushed into a decision which they appear incapable of making for themselves. If the Americans push, and the British do not, there is grave danger of their being pushed into a terribly wrong decision — that is, into accepting the policy of carrying the war into China in the hope of ending it that way.

In Great Britain, under pressure of events, Labour opinion is moving against continuing to give in to American pressure. But it is not yet moving in such a way as to lead to speedy action. The leadership still believes in the American alliance and has been able for the moment to enforce on the Labour Party an exceedingly reluctant acceptance of German re-armament which cannot be formally gone back upon until the Party Congress meets in October — when its fate will depend on the still doubtful reaction of the big Trade Unions, or rather of their leaders. The situation may, however, develop much more rapidly than this suggests if the British Government should now give way to American pressure in the matter of Indo-China, or if the Geneva Conference should be brought to nothing by an American refusal to allow it to succeed, or even to be given a chance of succeeding. If the Soviet Union and China play their cards sensibly, they will not waste much time at Geneva in denouncing American policy, however much it deserves condemnation: they will say clearly how far they are prepared to go in order to achieve a detente in Asia, and will do their utmost to win public opinion in Western Europe over to a belief that their desire for peace is sincere.

I think they half-meant to do this at Berlin; but they did not succeed in getting past the newspaper barrage of misrepresentation, partly at any rate by their own fault. They are not good at speaking plainly, even when plain speaking would be to their advantage; and they have still far too little understanding of the state of mind of those Westerners who are disposed to listen to them if they will cut out the denunciations and say plainly how far they are prepared to go in order to diminish the danger of war. It will be disastrous if they mismanage the Geneva meeting so as to allow the Americans successfully to put all the blame on them should it fail.

I realise that parts of this article may be outdated before it appears; for a good deal may happen during the next few days as a consequence of Mr. Dulles's dash to London and Paris. But, even if some of it becomes out of date, I do not think most of what I have said will become any less pertinent. Present American policy means for the countries of Western Europe, and especially for Great Britain and France, apart from the danger that it may provoke world war, subjection to an indefinitely continuing and increasing strain in order to fit in with the new American military policy of concentration on atomic warfare. This strain is incompatible with European economic prosperity or with escape from continuing dependence on American finance. The longer it lasts, the more difficult escape will become; and France at any rate is already very near the breaking point. That is one reason for feeling less gloomy than much that I have written in this article might suggest. If Great Britain and France will but refuse to be dragged into further commitments now, that may be the starting-point for a real change; for the Americans cannot in practice carry on their present strategy if Great Britain and France refuse to continue as their reluctant accomplices.

L. ERVEN

## Turkish—Pakistan Cooperation

THE agreement on friendship and cooperation between Turkey and Pakistan was concluded in Karachi on April 2. Keen interest for this agreement prevailed already before its conclusion. Together with the USA—Pakistan talks on American military aid to Pakistan this agreement was considered as an opening gambit of a new policy in the Middle East area, and as a radical manifestation of the changes in the foreign political orientation of both contracting parties (which would in fact be more accurate for Pakistan than for Turkey). The steps taken by America in the aim of including Pakistan in the system of military aid (which also foreshadowed its integration in the system of American bases) and the Turkish—Pakistan Agreement provoked dissatisfaction and protests among most neighbouring Middle Eastern countries. These protests mainly stemmed from countries who have certain unsettled disputes with Pakistan (as India and Afghanistan), countries opposed to the combinations aiming at the integration of the Middle East in the Western system of collective security (as the majority of Arab countries), while Israel also joined this chorus of protests for special reasons (because of Iraq).

What is in fact the essence and significance of the Turbo—Pakistan Agreement?

The answer to this question should be sought least in the actual text of the agreement, as its analysis would neither lead to any important conclusions nor justify the opposition it provoked.

Here are the contents of the pact:

In the introductory provisions both countries invoke their faith in the objectives and principles of the UN Charter and their determination to persevere in the application of these objectives and principles. They express their intention to benefit by increased mutual cooperation which will ensue from the already existing friendship between them.

They recognize the necessity of consultation and cooperation in all fields in the interest of fostering the well being and security of their peoples. They are likewise convinced that such cooperation will be in the interest of all peace loving countries particularly in their part of the world.

The Agreement further stipulates that both contracting parties will refrain from interfering in each other's internal affairs in any form whatever, and likewise refrain from taking part in any alliance or action directed against the other. (Art. 1).

Turkey and Pakistan further agreed to consult on international questions of common interest and develop maximum mutual cooperation, with due regard for international needs and conditions. (Art. 2).

The contracting parties will further promote cooperation in the cultural sphere and collaborate in the economic and technical fields, concluding relevant agreements if and when the necessity arises. (Art. 3).

The Agreement provides for the following forms of cooperation in the field of defence: a) exchange of informa-



tion in the purpose of deriving common benefit from technical experience acquired and progress achieved; b) joint efforts aiming at the maximum possible satisfaction of armament and ammunition requirements; c) the study and establishment of the ways and scope of possible cooperation in accordance with Art. 51 of the Charter, in case of unprovoked aggression from outside.

The contracting parties further declared that the obligations arising from this agreement are not contrary to their other commitments and promised not to accept any other obligation which would be contrary to this agreement. (Art. 5).

They further agreed that every other country whose participation would be favourable for the achievement of the objectives of this agreement under the same conditions and obligations is entitled to join this pact. (Art. 6).

The Agreement was concluded for a five year term with automatic renewal of validity for the next five year period, if not annulled one year before the expiry of its five year term (Art. 7).

This agreement can be surveyed from two different standpoints: that of the mutual relations and policy of Turkey and Pakistan so far, as an isolated act in their new reciprocal relations, or from the standpoint of the Western, or to be more precise, American policy of collective security in the Middle East.

The policies of Turkey and Pakistan so far had little in common. This is why the recent treaty could be regarded as something of a surprise, as a volte face which was not foreshadowed by any preparatory developments in the mutual relations of the two countries, as a sudden gesture which took place under the influence of a certain new factor or unexpected cause.

Turkey was turned towards the west and western policy while Pakistan gravitated towards the Moslem states and the Arab bloc. The policies of these countries were neither conflicting nor parallel, they were simply widely divergent. It could even be said in a somewhat exaggerated metaphor that Turkey and Pakistan stood back to back.

The policy of Pakistan was based on widely different motives and purposes than that of Turkey. The fundamental objective of post-war Turkish foreign policy was to achieve maximum security, this being a result of the Soviet threat. Such a line of policy inevitably led Turkey towards the West, where a system of collective security was being created, and towards her neighbouring Balkan countries Greece and Yugoslavia with whom she had common defence interests. There was no such threat in store for Pakistan which was not only separated by the vast territories of other countries from the Soviet menace, but also felt secure due to the absence of any threat or pressure. Thus no tendency of solidarity either with the Western conceptions of danger from aggression, nor with the western defence system could be discerned in the policy of Pakistan. The primary objective of Pakistan foreign policy was political affirmation in the Middle East as the largest and most numerous Moslem state, which aspires to the leadership of the Moslem world and which seeks the support of all Moslems for the realization of its state plans in its dispute with India. Such an ambitious policy led Pakistan towards the Arab bloc, and its joint appearances with the Arab countries on the international political scene.

Consequently, some changes were necessary in the policies of the two countries to enable political contacts such as their agreement on friendly cooperation. These changes did not take place in their mutual relations, as we shall see how they occurred later on.

#### RELIGION AS A FACTOR IN MUTUAL RELATIONS

The relations which prevailed between Turkey and Pakistan corresponded to the policy outlined above, which means that they were neither very warm nor very close. There even existed certain circumstances which exercised an adverse influence on these relations, primarily their contrasting attitudes towards religion and its role in the state. Pakistan is a Moslem state with certain theocratic features in its regime and Moslem tendencies in its policy, Turkey is a country with a Moslem population but with a secular regime which rejects religion as a political factor and does not allow the Koran to interfere with the Constitution. Until the latest developments, Turko-Pakistan relations were not particularly cordial due to such differing attitudes towards religion. Turkey condemned the policy

of a world Moslem alliance championed by Pakistan for a certain time, as out of date, unrealistic, and puerile, while Pakistan could not forgive Turkey her infidel attitude towards the Moslem faith. There were also more serious causes for recrimination. Pakistan sought contacts with Moslem circles in Turkey aiding the revival of a Moslem movement in this country through their diplomatic mission in Turkey and secret subsidies. Turkey severely denounced Pakistan for interfering in her internal affairs and fostering propaganda against constitutional law and order. No wonder then that the declaration of friendship and cooperation begins with the obligation of the contracting parties to refrain from interfering in the internal affairs of the other state „in any form whatever”.

The other relations, economic and cultural, were not more developed, and have comparatively little possibilities of doing so. There are no broad prospects, for economic exchange due to the incongruity of mutual economic requirements. Those goods which Pakistan could export to Turkey do not provide a broad basis for the development of trade although Pakistan may often require Turkish grain. As for cultural cooperation, where a special written agreement was in effect so far, the difference in the relations between state and religion, as well as the role of religion in the cultural life of Turkey and Pakistan represents a major obstacle in this respect. One of the reasons why this cooperation failed to yield any appreciable results so far is also the different policies pursued and the different interpretation of the substance of culture which prevail between a secular and religious state. It is more than unlikely that Turkey will be willing to open the door to Moslem cultural activities of friendly Pakistan, nor that Pakistan will show any enthusiasm for the introduction of the secular conceptions of the Turkish cultural workers.

All in all the analysis of the mutual relations and conditions of Turkey and Pakistan, although summary and perfunctory does not encourage any optimistical conclusions where the future results in the political, cultural and economic field are concerned.

#### ESSENCE OF MILITARY COOPERATION

What are the prospects for military cooperation?

If the Turko-Pakistan relations in the military sphere are contemplated apart from other combinations, then it is easy to comprehend their practical sense. One glance at the map is sufficient.

The scope of military cooperation foreseen by the agreement corresponds to such a state of affairs. The formulation of such cooperation is extremely contradictory and vague. It concretely stipulates the exchange of information and technical experience with a very vague provision regarding the satisfaction of armament and ammunition requirements. This is certainly only the external manifestation of some hidden and intimate thoughts. Apart from this the contracting parties agreed to study and establish the way and scope of „possible” cooperation which „could be achieved” in accordance with Art. 51 of the UN Charter in case of an unprovoked attack. Consequently, definite military cooperation on joint defence is conditioned by a hypothetical attack in the future.

Consequently it would appear that the concept of this treaty, particularly its political significance contemplated exclusively as an instrument of Turko-Pakistan relations, is considerably vague. A clearer picture of its importance can only be discerned if it is regarded in connexion with the complex problems of Middle Eastern defence, i.e. in the light of the policy inaugurated by the American interest in Pakistan. It is as a result of this interest that Pakistan entered the complex of the Middle East.

The policy of Pakistan military development for which the US offered its military aid, gave rise to two theses, that of Pakistan and America respectively.

The Pakistan thesis consists primarily in the wish to resolve the problem of its armament and increase its military potential by means of American military aid, thus enhancing its prestige, international position, and consequently broadening the basis of its state policy. On the other hand, such a line of policy would enable it to join the western bloc, as its former Arab-Asian policy failed to yield any profitable results. It can be said, without risk of being much mistaken, that this change in the trend of foreign policy causing it to turn away from the solidarity with the Moslem brothers, was only to a certain extent if



at all conditioned by fear of aggression and desire for effective contribution to the western system of collective security.

This Pakistan thesis coincided with the American conception according to which Pakistan had favourable conditions to fill out the peripheral system of strategic military bases and enable the system of collective security to be integrated in the Middle East after the breakdown of the first Middle Eastern defence combination. It is obvious that the talks on military aid were connected with a new combination for the integration of the Middle East in the general collective security system from the very beginning, this being also substantiated by the fact that the talks on the Turko-Pakistan Agreement were initiated and brought to a conclusion at the same time. The agreement on military aid to Pakistan and the treaty on Turko-Pakistan friendly cooperation were in fact envisioned as the laying of new foundations for a broader combination which would comprise other countries in the neighbourhood of Pakistan and Turkey (primarily Persia and Iraq) in a similar manner.

#### THE LONE KNIGHT

In view of the former line of Pakistan foreign policy described above, its new orientation towards the defence of the Middle East doubtless marks a great change. On the other hand, however, the adoption of such a combination on the part of Turkey is a completely logical consequence of her entire attitude hitherto towards the problem of Middle Eastern defence. One of the rules of her policy of security is that this security necessitates the defence organization of the Middle East area which encircles it from the East and South. Turkey envisaged the organization of Middle Eastern defence not so much in the light of her own military contribution to this defence, and still less in the light of the military contribution of the Middle Eastern countries themselves. Turkey contemplated the essence of the Middle East defence organisation primarily in the introduction of western, particularly American military forces in the Middle East. Consequently Turkey believed, throughout all phases in the development of the problem of Middle Eastern de-

fence, that such a system should be organized at all cost, with or without the Arab bloc. When the plan for the organization of this defence system without the Arab bloc was advanced in the purpose of shattering the neutralism and resistance of the Arab countries Turkey approved of this plan. Regardless of the system in which this combination will be realized, the very fact that a solid military organization of Pakistan will eventually be achieved constitutes a favourable circumstance in the system of Turkish security. One could almost reach the conclusion that a good agreement between the USA and Pakistan on military aid and the organization of military bases could have greater significance as regards the Turkish security policy, than the Turko-Pakistan Agreement on friendship and cooperation.

Whether such a Middle Eastern defence system in this area will lead to a redistribution of the Turkish military forces, and a change in the Turkish strategic plans are still premature speculations, as there are no such systems in the foreseeable future.

It can be said for the time being that the Turko-Pakistan Agreement plays the role of a lone knight as far as the conception of integrating the Middle East in the general collective security system is concerned.

Both moves made so far towards the realisation of this conception provoked strong resistance on all sides in the Middle East, primarily India, as well as Afghanistan and some Arab states. This resistance did not cause any delay in the conclusion of the Turko-Pakistan Agreement, but it is obvious that it resulted in a slow down of the Pakistan-American talks, therefore preventing the creation of solid foundations for Pakistan-USA military cooperation. In this respect the defeat of the Pakistan Government at the recent elections in Eastern Pakistan represents a new and unforeseen circumstance.

These difficulties can be considered more or less inevitable in the development of Turkish-Pakistan policy. Combinations involving Persia are extremely problematic, while the enlistment of Iraq which seemed very likely some time ago, would bring more disorder to the Near East than order to the defence of the Middle East.

# AGROEXPORT

## EXPORT-IMPORT

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# ECONOMIC PROBLEMS

I. DOBRAVEC

## New Measures in Soviet Agriculture

**T**HE first series of changes of the Soviet internal policy, after the death of Stalin, were primarily confined to the political field (Government and the chief political institutions, federal and republican, were reorganized; an amnesty was proclaimed; the affair of the doctors was passed over; Beria and his followers were liquidated etc.). The second series of changes was concerned with the economic aspect of the state life. Apart from the lowering of prices, which was decreed on April 1, 1953, all major measures undertaken by Malenkov's Government in the economic field were initiated after August 1953, when a new Agricultural Tax was proclaimed. However, this new law was primarily a political measure. This law marked the end of the period when Malenkov's Government, in order to get popular support and to consolidate its own position, was forced to make concessions, however unimportant. It also marked the beginning of a new period when, in September last year, the Central Committee of the CP of USSR held its session. At this session it was decided which measures to undertake in order to improve the position of Soviet agriculture, which is in a desperate state.

When the Supreme Soviet held its session, amending the previous Agricultural Tax Law, one might have expected, although the prospect was rather gloomy, that State administrative measures regulating the agricultural policy would be relaxed, and that some new stimuli in Kolkhoz production would be introduced. The Plenary session of the Central Committee, held in September, proved that the new Government, although bent on solving some problems of the domestic and foreign policy in a more realistic spirit than the previous Stalin Government, was in fact, not capable of introducing deep changes in the method of State management of agriculture. In other words, Malenkov's Government proved to be incapable of solving the crisis of agricultural production which has persisted ever since 1929, i.e. when the system of collective farming was introduced.

The agricultural Tax Law is, in fact, a small concession made to collective farming (in its economic capacity) and to the collective farmers (in their capacity of producers). The chief characteristics of the new law are the following: the tax will be collected, not on the basis of incomes, but on the basis of the surface under cultivation (this principle is to be applied both on collective farms and on individual households of collective farmers); tax will be smaller and some categories of the people living in the country are exempted from the taxes (teachers, political workers, specialists working in the collective farms, employees of the sanitary inspection etc.). It is obvious that this change was brought about by the urgent need to increase agricultural production, which has fallen to a very low level indeed. Malenkov's Government is of the opinion that the output will be increased if it stimulates the collective farmers and those categories of political leaders and specialists who work in the country, and who are responsible for the

organization of labour and the working capacity and technical skill of the collective farmers.

The lowering of the income tax payable by private households of the collective farmers will improve the position, not only of the collective farmers, but also of the members of country intelligentsia as well: of those people in the country who are shaping the economic, political and cultural life of the area. The motives behind this measure are numerous. The desire to increase production is probably the strongest. The assumption is that the collective farmer will, thanks to the tax reduction, be more interested in the cultivation of his private settlement ((that he will keep a cow; raise a small number of sheep and some poultry). It is hoped that the agricultural production will be increased, helping thus to improve the standard of living both of townsmen and countrymen. (Prior to this Law, 45% of kolkhoz households did not possess a single cow, and many of them had no sheep or poultry). Recent results have proved, however, that expectations were too optimistic. The tax reduction is so small that it may be considered only as symbolic. This measure, therefore, did not result in any substantial increase of production.

The new fiscal policy was directed to yet another object. The idea was to improve the position of those categories of country people in whose well-being the Soviet authorities are especially interested, i.e., to improve the position of the provincial bureaucracy (which up till now has been neither numerous nor well paid) and thus bind it to the regime. The desire was to strengthen the position of the bureaucratic caste in the country and to increase the number of those who could direct and organize the economic and political life in accordance with their own desires and interests. (This is closely connected with the reorganization of the whole State apparatus— especially after the elimination of Beria — and with the transferring of political responsibility for the work in the country from the organs of MVD to the Party, soviets and economic organs).

This change in fiscal policy produced a very small economic effect. The political meaning of the change is obvious: to make use of the cancellation of debts, of the symbolic reduction of taxes, and of privileges conferred on some sections of the population (on those who have a strong influence on public opinion and on those who control economic and political life) to strengthen the new Government and to secure the support of the peasants. One might say that this policy achieved only a partial success. The peasants began to hope that the things would improve, and their absolute mistrust of Moscow was replaced by an inclination to wait and see how the projected fiscal policy would work in practice. The feeling of the collective farmers is best indicated by the provision of art. 6 of the new Law, which lays it down that the households of those collective farmers who, in the past year, did not work a prescribed



number of days, would be obliged to pay 50% more taxes than other collective farmers. This provision is indicative of the fact that economic stimulus, even after fiscal reform, is not sufficient to result in more productive work, and that administrative measures will be a necessity in the future as well. This implies that material stimulus, which was a subject of discussion at the session of the Supreme Soviet, is, in fact, insignificant — being far from sufficient to satisfy the practical needs and wishes of collective farmers.

What is the essence of the changes in Soviet agricultural policy proclaimed by Malenkov, on August 5, 1953, at the session of the Supreme Soviet? The following is the answer:

The problem of the material well-being of the collective farmers has, for the first time, been taken into consideration. There is a possibility that this problem will be a subject of further decisions. This will be done, not to further any „socialist“ concepts of the new Government, but to put an end to the present desperate state of agricultural production, the fundamental reason for which is easy to discover and every economist with a sense of real values can ascertain it — for it lies in the complete lack of material interest on the part of the producers. The *problem is on the agenda* although it has not been solved in an effective way. Once more the old administrative and bureaucratic measures have been made use of.

The attitude towards the private households of the collective farmers has been, to some extent, changed. There is a tendency to make the collective farmer interested in the better cultivation of his private plot, and that is why the taxes have been reduced. In addition to this, he is no longer under the obligation to pay the taxes which he did not pay in the past periods. Means have still to be found to raise the interest of the collective farmers in the better cultivation of kolkhoz land. The decrease of tax norms and the introduction of fixed tax rates were conceived as means to achieve these ends.

The Stalinist concept of the „barter of products“ was rejected (this concept means the elimination of money as a means of payment in trade between the town and the country) and a special emphasis is being laid on the exchange of goods between the town and the country, intensifying the importance of money as an intermediary. The wages of collective farmers will, therefore, be increased; the total wage fund remaining at the previous level, or being slightly increased.

These are the „new“ elements of the Soviet agricultural policy. In fact they amount to nothing more than cheap propaganda which cannot exercise any considerable influence on the increase of production or on the concern of the farmer for agricultural production, both of which are indispensable if the present crisis, and the difficult situation of Soviet agriculture in general, is to be brought to an end.

Soviet leaders have, undoubtedly, been of the opinion that the concessions made to collective farmers are sufficient to create a political atmosphere which is indispensable for an effective execution of the program to increase agricultural production. At the August session of the Supreme Soviet a radical change in economic policy was made. And in April, when the Supreme Soviet met for the first time after the death of Stalin, Malenkov said that the primary duty of the Party was to improve the standard of living and to increase the production of those goods which are consumed by the broad masses of people. This task was included in the Party program in August. Only then was it made clear that the whole Party and all other State and economic organizations would be asked to fulfil this program. The proof that this program has something more than mere propaganda value is to be found in the following facts: the 1953 Budget provided much larger credits for investments in light industry and agriculture, and the military budget which up to 1953 took, each year, a quarter share of national income and was constantly increasing in absolute figures, remained the same as in the previous year. In addition to this, the figures which regularly appeared in the Soviet Budget providing for the irrigation and melioration works in South Ukraine, North Crimea, the Volga Valley and in Turkestan (millions of roubles and much slave labour was spent each year on these projects) disappeared from the Soviet Budget. All these changes

implied that a major change in Soviet economic policy was in the air. It should be stressed that all the political conditions for the new economic policy were fulfilled during the months which followed the death of Stalin; the central and republican state and economic institutions were reorganized, the MVD apparatus came under the control of the Party etc. The new economic program was inaugurated after the execution of Beria, and the Budget for 1953 (contrary to the previous practice) was approved as late as August, several months after the date when it should have been approved. There are some indications that the bureaucratic leaders were not in unanimous support of the new economic program; many of the leading bureaucrats strongly opposed the priority given to the standard of living at the expense of great investment works.

The new economic policy can, therefore, be considered as the victory of a realistic view, of a view which is the result of the grave crisis from which the Soviet economy and especially agriculture and industry has been suffering during recent years. The present Government has proved to be realistic because it has taken into consideration the difficult state of Soviet economy. The evidences of the present difficult situation are to be found in the following facts: the standard of living of the Soviet people is far from being adequate; industrial production is lagging behind that of capitalistic countries; productivity of labour, especially in some branches of industry, is very low; production of consumption goods is insufficient, owing to the priority given to the heavy industry; the housing problem is very acute; agricultural production is at a very low level and does not meet the needs of the people; the production of fruit, vegetables and livestock is constantly diminishing, etc. These facts are not denied even by such leading men of the USSR as Malenkov, Hrushtchev and others.

It is true that the present position of agriculture is very difficult (it is impossible to ignore this state of affairs. The crisis has become acute and obvious to all and to deny it would imply a loss of political prestige, which has already suffered severe blows in the course of the last year) but the methods adopted to solve it are old-fashioned and technocratic. These measures are such that they will probably not solve the present problems but will aggravate the crisis of Soviet system as a whole, and make it still more obvious. If we say that the present Soviet Government is realistic, this implies that it has recognized the critical character of the present situation, but the methods of solving this crisis are not realistic at all. Instead of giving more stimuli (Malenkov spoke of this in a timid and demagogic way at the session of the Supreme Soviet held last summer) to the producers, a huge technical program of increased production was proclaimed. According to this plan, production should be increased by more than 50% in the course of the next two or three years. Such a plan is very unreal: for more than last thirty years the agricultural production of the USSR was increased by only 25%, yet by the end of the next two or three years the increase is expected to be double than that attained in thirty years! The planned increase of production should be the result of the greater use of technical means of production; of the increased area under cultivation; of the general reorganization of agriculture — the basic agricultural relations remaining the same.

However, the agricultural economic relations which should be solved without any further delay are the following; the relations between the producer — collective farmer — and the kolkhoz as an organization possessing the land which is the only source of subsistence of the farmers, (the homestead is allotted to members of the kolkhoz and tax which the individual homestead pays depends upon the obligation he fulfils towards the kolkhoz — which is of vital importance to the farmer) and, secondly, the relations between the kolkhoz and MTS (Machine and Tractor Station), which hires out to the kolkhoz the machines which are essential for the cultivation of kolkhoz land. The kolkhoz and MTS are the institutions which give, or withhold, the means of production to the producers. The producers depend upon the possessor of these means, i.e., upon the State. The State has a monopoly of land and

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# ART AND CRITICISM

Marijan MATKOVIC

## Miroslav Krleža and Contemporary World Literature

THE fortieth anniversary of the literary work and sixtieth birthday of Miroslav Krleža was celebrated last year in all the more important Yugoslav cultural centres. All forms of recognition and honours which contemporaries can bestow on a poet of their time, ranging from commemorative meetings, exhibition of his manuscripts in public libraries, lectures, jubilee performances of his dramatic works in the leading Yugoslav theatres, to his investment with a high state decoration, marked the jubilee of Miroslav Krleža, who has for forty years represented the first name in modern Yugoslav literature. Publication will begin this year of the first volumes of his collected works, consisting of thirty volumes of verse and prose works, ranging from short stories to novels, essays, studies, polemical writings, plays, travels etc., as there is hardly any field of literature in which this versatile and vigorous poetic talent has not found expression.

All the celebrations which marked the jubilee, as well as the publication of Krleža's collected works gave a certain impression that their aim was to honour a classical writer whose greatness and importance are denied by none, but who belongs more to the past than to the future. There can be no doubt that Krleža's literary work is the artistic expression of the past four decades of the turbulent history of Yugoslavia, but it is no less a fact that his writings are still the most vigorous and vivid manifestation of modern Yugoslav literature. The recent poll organized by a Yugoslav weekly (*"Vijesnik u Srijedu"*) to decide who was the most popular author again places Krleža first, while hundreds of pages of his intimate diary from 1914 to the present, which are currently appearing in Belgrade and Zagreb reviews, are rightly considered, in view of their suggestive modern style as well as in view of the variety and interest of their subject matter, as a major contribution to modern Yugoslav literature.

It is of course possible to talk and write of the different facets of Krleža's creative personality, of Krleža the playwright and consummate master of dramatic art, who dominates the Yugoslav stage as no other Yugoslav author, of Krleža the author of the symphony *"Pan"* (1917), and the *"Ballad of Petrica Kerempuh"* (1938), of Krleža the writer of the series of war novels *"The Croatian God Mars"*, *"The Return of Filip Latinovicz"*, *"On the Verge of Reason"*, and *"Banquet in Blitva"* of his historical, cultural and aesthetic studies, essays, of his polemic writings. Nevertheless, it is not by reason of the awe inspiring breadth of his literary output, but by reason of his vigorous poetic utterance, that Krleža occupies the same position in twentieth century Yugoslav literature as those rare phenomena of world literature, Voltaire, Byron, Hugo and Pushkin, who were the spiritual architects of their period, as well as its poets. Having appeared on the literary stage on the eve of World War I, with his 1,000 pages of mordant poetical criticism of the brutal political and social conditions in the Balkans during the nineteen-twenties and thirties, Krleža awakened a whole generation of Yugoslav intellectuals to revolutionary

and emotional consciousness, so that it is certain that in the great days of the hardest trials, from 1941 to 1945, during the Yugoslav peoples' Revolution, as well as in 1948, when it was necessary to protect the great achievements of the revolution from a new and unexpected danger, the work of Miroslav Krleža played a role equal to that of Voltaire, Rousseau or Maxim Gorki during the revolutions in their respective countries.

In this article, written for *"International Affairs"*, it is only natural to ask why an author of so great an importance, breadth of vision, so suggestive and modern in artistic expression, is still comparatively unknown outside his own country. The fact is that the sporadic and usually poor translations of extracts from his works which were published abroad did not greatly attract the interest of international reading public, for the simple reason that these samples of Krleža's art were fragmentary, badly selected and badly translated. Thus it happens that an author who, more than thirty years ago, resolved the questions posed in Sartre's dramas (in the cycle *"Legends"*) — needless to say in his own way — and whose polemic writings have the incisive vigour of the best pages of Karl Kraus, who examined the vital problems of modern civilization in his essays, is virtually unknown to the contemporary cultural and literary public. I still vividly remember a discussion which took place in Vienna four years ago, after a lecture of mine on Yugoslav literature, which was illustrated by readings of extracts from Krleža's works by members of the Viennese Burgtheater. Deeply impressed by the beginning of the second act of Krleža's drama *"In Agony"*, a fragment which was really suggestively interpreted by the Viennese actors, one of the listeners declared that he really could not understand that he, although a drama critic by profession, should only now get his first glimpse of a work by an author living an hour distant by air, an author who, judging by the fragment he had just heard would be an undeniable discovery for the theatrical public in general. How was such a thing possible? Had I all the dramatic works of this writer etc. Unfortunately in 1950 this fragment was all that had been translated from Krleža's extensive dramatic works.

Only very few authors belonging to small nations — small in the sense of their language area — have succeeded in achieving world fame during their lifetime. The cases of Ibsen and Strindberg are obviously exceptions due not only to their powerful poetic genius, but also to the specific political conditions which prevailed in the second half of the nineteenth century, when the attention of the German expansionists was focussed on Scandinavia. Unfortunately, although the Balkan area was permanently in the sphere of interest of the big powers during the past hundred years, this interest was only manifested through the ruthless colonial exploitation of this area, while no particular interest was shown in the cultural achievements of these peoples, except perhaps in their folklore. This deplorable tradition should cease, not only in the interests of the small nations, but also in the interests of world civilisation itself.



## Two Documents

Petar ŠEGEDIN

There is a saying that we Yugoslavs do not know ourselves, i.e., that we do not know our own history. It is a sad truth, but still it is truth. Closely to this is another, equally sad truth, i.e. it is just because we ourselves do not know our own history that other nations do not know us sufficiently well.

This is not my own original remark. Many people in this country are discussing this problem and this is a hopeful sign.

Abbot Fortis, at the end of 18th century was astonished to see that the so-called Western civilization had penetrated into our mainland not more than 5 or 6 kilometres from the sea. At about the same time a geographical map was published in Venice (1782) showing correctly that Skopje is situated on the river Vardar, which is only a small river flowing into the river Raša which, happily, flows into the river Ibar... Neither Fortis, nor the majority of those who now speak of our narrow region, not more than six kilometres deep, which lies along the shore are in the least inclined to confess that they belong to those who, for centuries, occupied this region, thus furnishing evidence against themselves. When I was in Rome, in 1950, a lawyer tried to convince me that Zagreb was a seaside town, and that I was an Italian, because Korčula at one time belonged to Italy. When I told him that I was born on an island where the people never spoke Italian and where all the mountains, valleys etc. bear only Croatian names (with the exception of only a few places of maritime and commercial importance), he was convinced that I was merely a propagandist.

Today when a Yugoslav travels through the Western countries he has a feeling of being treated as some kind of exotic person that the Western world is „right” to suspect. We Yugoslavs have always looked strange to them and even more so now that we are Socialists. One is really thankful to those persons with whom one can speak without any prejudice. One is inclined to feel a still greater satisfaction when, among historical documents, one discovers an author who visited our country in the past, when the conscience of men was not dominated by nationalist passions. These men were free to communicate to the world what they saw. It seems to us of great importance to discover such men and to make their opinions known to the world. And, such documents may help the impartial and cultured sections of the world public to form a just opinion of us.

I happened to be in Paris in December last year when the Trieste question was reopened. At *Les Archives de France*, I studied some documents from the period when Illyria was under Napoleon dealing with the problem of Trieste and Istria. I have always considered this period to be of special importance in our people's history. It is interesting to consult the opinions of those men who calmly studied the problems which are now the cause of so much passion and enmity. Napoleonic period preceded the rise of Italian nationalist feelings and all those chauvinist and imperialist concepts which the Italians tried to put into practice at the expense of our territories, in the first half of the present century. The tragic thing is that we are witnessing now the revival of the same tendencies. There is, for instance, practically no difference between the opinions of those scholars, travellers and other educated men who were active before that time, and those who wrote

after it. Many of these opinions are known both to our people and to the foreign public, but many others are buried in various libraries, and in the archives of London, Leningrad and Istanbul.

As a non-specialist and as a man who is interested in old documents only in so far as they may be used as literary material, I worked for some time, as already mentioned, in *Les Archives de France*. I discovered there an interesting and comprehensive report written by Pellenza, who was one of Napoleon's agents. Previous to that he was Mirabeau's Secretary. He fled then to Austria, came back and served as an agent of Napoleon. He was accused by some people of acting at the same time as the agent of Austria. His report is written in the form of a letter. The report was obviously written by a man of unusual talent who was, at the same time, a keen judge of political and social conditions, and of human characters. These reports are very readable and deserve to be published in Yugoslavia. Two paragraphs are of special importance to us and that is why I quote them here:

„En exceptant la Carinthie, une partie de la Carniole et une portion de la nouvelle Istrie qui ont de l'une à l'autre quelques relations de commerce, les autres provinces ont peu de rapports entre elles. Manière de vivre, habitudes, caractère, tout en fait des peuples différents; et quoique la langue illyrienne leur soit commune elle a tant de diversité dans ses dialectes que ce moyen même de réunion ne peut ici remplir ce but que d'une manière bien imparfaite; le Carniolien n'est pas compris de Dalmate. Celui-ci et le Croate ont de la peine à s'entendre. Ce n'est pas toujours la proximité du territoire qui rapproche les hommes, c'est l'industrie...”

„...Ainsi, Monseigneur, voilà encore une série de créations dont le concours est indispensable pour développer la destinée de ces provinces. Il faut leur apprendre à se connaître, à s'aider, à échanger entre elles leurs productions: des chemins sont à construire. On a à propager la vraie langue illyrienne qui seule peut former le commun langage de ces divers pays. L'administration, les institutions, les lois commenceront sans doute à les unir, mais on ne parviendra à en faire un seul peuple qu'en se proposant un grand but qui les associe aux mêmes intérêts politiques, à la même prospérité nationale.”)

The Illyrian language was therefore, the common language of the whole territory of Illyria, comprising Trie-

1) „...With the exception of Carinthia, a part of Carniola and a part of new Istria, which are commercially loosely linked together, other parts have very few mutual ties. The way of living, habits and character of these nations greatly differ. Although all of them speak Illyrian, this language has so many different dialects that it cannot carry out its usual unifying effect; a Dalmatian cannot understand a Carniolan. A Carniolan and a Croat cannot easily understand each other. The people are not always united by the vicinity of their territories but through trade...”

„...There are, therefore, Monseigneur, many things to be done if the lot of these provinces is to be improved. They should be helped to know one another and the exchange of their products should be increased: roads should be constructed. The true Illyrian language, which is the only language capable of producing a common tongue to be spoken in all these various countries, should be encouraged. Administration, institutions, laws will, undoubtedly, exercise their unifying effect, but these people will, become a united nation only if they are presented with a great common goal, which will unite them in a common political interest and in a common idea of national welfare...”



ste and Istria, and only it was capable of producing, in this area, a common tongue.

On my way home from the Archives, I used to visit the secondhand bookshops. One afternoon I discovered there another, or rather two other authors, i.e. Pierre Apian and Gemma Frison. They wrote a book on cosmography. Looking through this book I found quite by chance, a place where the frontiers of Italy were clearly drawn:

„Après est le pays de Dace, au dessus du quel est la Trace qui est, à présent dicte Grèce comprenant en soy contrées particulières, comme sont Epirè, Achaye, Macédoine, La Morée etc. La Mer Adriatique est environnée des Dalma-tes, Esclavons, Istrie et Friul et ce qui est oultre ceci appe-llé d'un seul nom Italie, les provinces de laquelle sont Campagne, Calabre, le Pays Latin, La Pouille, Toscane, la Contée de Spoletè, la Lombardie, le Venetian et la Marche d'Ancone." (Cosmographie ou description du monde univer-sel par Pierre Apian et Gemma Frison. A Anvers chez Arnout Coninx MDLXXXIII).<sup>2)</sup>

<sup>2)</sup> „Beyond Dacia is Thrace, which is now known under the name of Greece, which includes various countries such as: Epirus, Achaea, Macedonia, Morea etc. The Adriatic Sea is surroun-ded by Dalmatians, Slavs, Istria and Furlandia and by those pro-vinces which are now known under one single name i.e., Italy, which includes the provinces of Campania, Calabria, Latium, Puglie, Tuscany, the County of Spoletto, Lombardy, Venice, and the Ancona March" (Cosmography, or a description of the world, by Pierre Apian and Gemma Frison. Edited by Arnout Coninx, at Anvers, MDLXXXIII).

## LETTER FROM BERLIN

# Divergences among Socialists

THE results of the elections held on September 6, 1953 which marked the victory of Federal Chancellor Dr. Adenauer, and gave the Govern-ment coalition a vast majority in the German Bundestag (Parliament), caused deep and far reaching differences of opinion within the German Social Democrat ranks, which continue to this very day, and whose final results cannot be judged of as yet. Actually the defeat of the German Social Democrat party did not consist only in a mere loss of votes. On the contrary it can be said that its poll even increased in number, but the vital point is that it failed to beat the government parties and assume power. Historical experience shows that socialist parties seldom succeed in acquiring power during periods of economic stability, while conversely, their prospects are extremely favourable during periods of economic depression. This is true of Central Europe at least. The Socialist movements in Great Britain and the Scandinavian countries, however, reveal a far greater stability, regardless of prosperity or depression.

As already stated, the German Social Democrats gained a considerable number of votes at the September elections, but this was still insufficient for the seizure of political power. Today's differences of opinion within the party, in fact, date from September 6, but their causes are deeper, and concern the problem of democratic socialism in Ger-many in general. These divergencies can be classified under

## Soviet Agriculture

(Continued from page 20)

appropriates the majority of land products through the kolkhoz, through the obligation of collective farmers, to offer their products for sale to the State at a fixed price and by many other means.

The Central Committee, at its plenary meeting held last September, discussed some of these phenomena, but did not explain the reasons of this attitude of the peasants towards kolkhoz production and Machine and Tractor Sta-tions. The wages of tractor drivers were as low as those of collective farmers (in some regions, the collective far-mers were paid, in recent years, not more than 300 grams of wheat and 250 grams of peas per day) so that the tractor drivers quitted their jobs in great numbers. A similar thing happened with other specialists of the MTS. That is why the new program includes the mobilization of specialists who would be willing to make better use of those machines which MTS puts at the disposal of collective farms. Many new specialists have been sent to work in MTS. The Central Committee of the CP passed various resolutions providing for a better treatment of these specialists: their salaries are to be higher and they are to enjoy special privileges in the building of their houses, in the allotment of individual homesteads etc. The relation between kolkhoz and MTS has been changed. In the past, kolkhoz planned its produc-tion and independently managed its financial affairs. One of the resolutions of the Central Committee provides that, in the future, this will be done by MTS.

From the social point of view, the new course in the Soviet agricultural policy does not mean any change but the strengthening of State-capitalistic tendencies and the liqui-dation of the economic independence of the collective farms.

three outstanding subjects of contention: economic pro-blems, political issues and foreign policy.

Let us begin with the third set of problems. Germany today has a direct frontier with the Stalinist empire, which has subjected part of Germany to military occupation and systematically converted it into a „people's democracy". This process is still incomplete, but most characteristic features are clearly visible. Apart from its well-known components, Stalinist state capitalism in Germany is inve-sted with all the dominant characteristics of colonial exploi-tation. Consequently it inevitably provoked the social revolt of the population, as well as a tendency to national resistance. Germany is thus faced with the problem of redeeming the areas under Soviet occupation, either by means of a free referendum, international talks, or a rising of the workers themselves, as was the case on June 17, 1953. German social democracy, as well as the German people, are confronted with the problem of devising some means of inducing the Soviet Union to cease its occupation.

The German Federal Government proclaimed a policy of power which sought to create — by means of pooling the material and military resources of Western Europe, — such a force as would render all Soviet threats ineffective and insure a strong position for Western Europe at interna-tional negotiations. However, while the German Government endeavoured to create a German armed force within an



international organization, the Social Democrats adopted an entirely different attitude. The Social Democrats have persistently refused to support EDC, because, in their opinion, Germany would not enjoy equal rights in such an organization. They do not believe in the 12 German divisions, and are not willing to hand over the Saar „de facto” to France.

What alternative have they offered so far to the policy of the Federal Government? With the exception of various propagandist actions which do not enter within the scope of this article, their alternative is actually reduced to a proposal to negotiate with the Soviet Union. The talks so far, however, and particularly the Berlin conference, revealed clearly enough that the Russians do not intend to cooperate on the German problem. On the contrary, the tactical objective of the Soviet proposals was to achieve the recognition of the East German Government, and thus insure a broader manoeuvring space for the further political, ideological, and organizational undermining of the German Federal Republic. Even if the EDC project were abandoned, the Soviet Union would not be willing to permit free elections for the whole of Germany. The negative result of the four power conference where Germany was concerned confronted the Social Democrats with the problem of foreign policy with greater urgency than ever before, as negotiations with Russia failed to yield any results which would have been acceptable to Germany.

In view of the existence of military formations in the Soviet zone of Germany, under the guise of the so-called Volkspolizei, which is permanently stationed in barracks and which represents a standing army of 100,000—150,000 men, the problem of the armed forces of the Federal Republic becomes all the more acute. It is obvious, as historical experience has shown, that a German army as part of an international force would be preferable to an independent German army. The German Social Democrats, however, favour armed defence of democracy, but their attitude in this matter does not go beyond vague statements to this effect, without any concrete programme whatever regarding the organization of such an army. No solution is offered to this question, which is at present the subject of vehement debate. The present discussion urgently requires an answer to the following questions: How, and in what manner should the German army be organized? What is the military programme of Social Democracy? How can democracy be brought into line with military force? What political guarantees would be required to place the military organizations under political control? What will happen to German unity?

Such questions lead us directly to the political situation. The „recommendations” which the leadership of the German Social Democrat Party recently submitted to discussion, define the party as „a community of people fighting for social justice, the liberation of man from exploitation and oppression, and for spiritual and political freedom”. Workers indeed make „the core of the members and voters of Social democracy”, but the party does not consider itself as the representative of a single group of people. The Social Democrat party of Germany is not a Marxist party; or it is rather only conditionally Marxist. It is a socialist party which demands the abolishment of the „exploitation and oppression of man by man and by the creation of power”.

The party seeks to lay down its programme in principle, and a special commission has been formed for this purpose. This commission will also study the development of democratic socialism in other countries. However, the party

leadership refuses to abolish its red flags on the excuse that such a gesture would be unfavourably interpreted „as a betrayal of its international aims” by the Social Democrat party. The leadership likewise adopted the standpoint that the term „comrade” should be retained as a form of address, as it came into being „in the struggle for the achievement of common lofty ideals and denotes close companionship and ties”. The party further considers that its central organizational structure should not be altered, and has rejected the demand for the establishment of a general secretariat. It is most probable, in connexion with this proposal, that the wish prevailed that the post of secretary general be entrusted to the previous party leader, Olenhauer, while the party leadership, would be assigned to the collective management of several party leaders. The void left by the disappearance of two such powerful political figures as Dr. Kurt Schumacher and the former Mayor of Berlin, Ernst Reuter, could not be filled in so short a time. There exist a number of distinguished personalities with marked political talent, but so far no leader of Schumacher's or Reuter's stature has appeared. This fact was obviously the cause of a certain amount of gloom within the party ranks.

As the opposition party, the German Social Democrats scored all their successes by criticizing the policy of the Federal Government. This may have been sufficient for a certain time, while international problems did not play so important a role in the life of Germany. But in the present situation — and in view of the French attitude — when the prospects for the realization of EDC are few and far between, and when the Free Democratic Party as member of the Government coalition has reached the extreme limits of concessions regarding the Saar, the problem of finding an alternative to EDC arises. Here the Social Democrats will have the opportunity to create a tactically favourable situation if they devise an independent solution of this problem, apart from their demand for negotiations with the Soviet Union. It remains to be seen what will be done.

No answer has yet been found to the problem of economy. As the demand for socialisation has long since disappeared from current policy, and the situation of the workers requires an unequivocal decision, and economic programme of the party in the period which marks the comparative stabilisation of private capitalist economy is imperative. The participation of the workers in the management of economy in a form which still remains to be determined, the finding of a middle way between state-capitalist bureaucracy and producers' self-management, joint ownership in private economy, the nationalisation of certain branches of production, a new system of distribution of social wealth, a way to enable the workers to participate better in fostering the present prosperity and favourable market situation, etc — these are the questions that are currently being debated.

As German democracy cannot be imagined without a workers' and Trade Unionist movement, and as such movements are a guarantee for the further advancement of a democratic regime, the present discussion among the German Social Democrats must provide answers to the following three problems: the preservation of German democracy in face of the Soviet Union, and the problem of the German armed forces; the role of the party in German home policy; and the economic programme of the party within a capitalist society.

Ernest SALTER, a publicist



# CALENDAR OF DIPLOMATIC AND SOCIAL EVENTS

## EVENTS IN YUGOSLAVIA

## YUGOSLAVIA AND THE WORLD

- April 16. — The Vice-President of the Yugoslav Federal Executive Council, Edvard Kardelj, addressed a message of congratulation to the President of the Republic of Syria, Mr. Hasem el Atasi, on the occasion of the Syrian national holiday.
- April 16. — A Swedish trade union delegation arrived in Belgrade. The Swedish delegation is to stay in Yugoslavia for about seven days as guest of the Chemical workers' union.
- April 16. — A Yugoslav-American agreement was signed in Belgrade on the utilization of the dinar counter-value funds created on the basis of economic aid which Yugoslavia is receiving from the USA Government.
- April 17. — Two prominent foreign artists were due to appear in Belgrade: the famous Swedish pianist Hans Lejgraf and the Turkish opera singer Leila Genchar.
- April 18. — Dr. Remi Tesono, Director of the Institute for advanced film studies in Paris, arrived in Yugoslavia together with a group of students of film direction. They are guests of the „Bosna-Film” enterprise.
- April 20. — A delegation of the Swiss Board of Posts, Telegraphs and Telephones arrived in Belgrade. This delegation will conduct talks with the representatives of the Yugoslav PTT service on the expansion of international PTT communications and cooperation.
- April 20. — Mr. Erik Kastren, professor of international law at the Law Faculty in Helsinki, was expected in Yugoslavia, to give a series of lectures on international law.
- April 20. — Mr. J. V. Oldington, up till now political counsellor of the British Governor of Hong Kong, was appointed new British Consul General in Zagreb.
- April 21. — The President of the Yugoslav Republic, Marshal Tito, on his return from a state visit to Turkey, arrived in the port of Split where he was enthusiastically greeted.
- April 21. — Mr. Kano Hironako, president of the Japanese Exporters' Association, came on a visit to Belgrade, to examine possibilities for trade exchange between Japan and Yugoslavia.
- April 21. — The Ethiopian military delegation which was staying in Yugoslavia visited the headquarters of the Zagreb Military Area.
- April 21. — The State Under-Secretary for Foreign Affairs, Dr. Aleš Bebler, received the French Ambassador to Belgrade, M. Philippe Baudet. On the same day Dr. Bebler received the Swedish Minister, Mr. Ole Jödahl, who had just returned from regular consultations with his Government in Stockholm.
- April 21. — The well-known Chilean pianist, Claudio Aran, was expected in Yugoslavia where he would give two solo concerts, one in Belgrade and the other in Zagreb. The forthcoming visits of the Paris pianist Monique Haas and the Japanese opera singer Michiko Sunahare were also announced.
- April 21. — A trade agreement between Yugoslavia and Chile was signed in Belgrade.
- April 22. — The President of the Republic, Marshal Tito, arrived in Belgrade on his return from a state visit to Turkey. President Tito was greeted at the station by about 200,000 Belgrade citizens. In his speech to the people of Belgrade, the President emphasized that the alliance between Turkey, Greece and Yugoslavia would be a notable contribution to the strengthening of peace in the world.
- April 22. — The fourth seminary of European sanitary engineers opened in Opatija. The seminary was organized by regional European Bureaus, the Rockefeller Foundation, and the Federal Executive Council of the FPRY.

- April 15. — The first meeting of the Greco-Yugoslav League was held in Athens in the presence of 150 prominent Greek personages and the Yugoslav Ambassador, Radoš Jovanović.
- April 15. — The Yugoslav State Secretary for Foreign Affairs, Koča Popović, held a press conference in the Yugoslav Embassy in Ankara, at which he informed the journalists of the results of the talks between the Turkish and Yugoslav statesmen.
- April 16. — A joint Yugoslav-Turkish communiqué was published in Ankara, stressing that the time had come to change the Ankara Agreement into a formal alliance.
- April 16. — Mr. Aleksis Kiru, Director General of the Greek Foreign Ministry, declared to journalists that Greece had nothing against the proposal for transforming the Ankara Pact into an alliance.
- April 16. — The Greek Foreign Minister M. Stephanopoulos declared that the President of the FPRY Marshal Tito would visit Greece in June this year.
- April 16. — Talks have been concluded in Athens on the organizing of a Balkan music festival to be held in Athens in September this year.
- April 16. — The Film Workers' Association of Denmark has invited Yugoslav film workers to send a delegation to the celebration of its fiftieth anniversary.
- April 17. — People's deputies of the Federal National Assembly, Vladimir Simić and Radivoje Davidović, left for Monaco, where they will represent Yugoslavia at the meeting of the Council of the Interparliamentary Union.
- April 17. — The Yugoslav military delegation which is staying in Greece as guest of the Commander of the Greek Corps in Salonika, General Keceas, visited the garrisons in Serez and Drama.
- April 17. — Milentije Popović, a member of the Executive Committee of the Socialist Alliance of the Working People of Yugoslavia, left Belgrade to attend the session of the Bureau of the Asian Socialist Conference.
- April 17. — The Lebanese and Yugoslav representatives signed an agreement on air traffic in Beirut, providing for the establishment of an air service between Belgrade and Beirut.
- April 18. — The President of Yugoslavia, Marshal Tito, left Istanbul for Yugoslavia on board the ship „Galeb”.
- April 18. — An agreement was signed in Graz between Yugoslavia and Austria on the water-power regime on the Drava river.
- April 19. — A representative of the Yugoslav Student Union will take part at the Congress of the National Union of French Students to be held in Toulouse between April 22 and 25.
- April 21. — The Yugoslav Ambassador in Washington, Leo Mates, visited the acting American Secretary of State, Mr. Walter Bedell Smith, and had a conversation with him about matters of common interest.
- April 21. — Referring to President Tito's visit to Turkey, a Foreign Office spokesman declared at a press conference that Britain welcomed the strengthening of the tripartite cooperation in the Balkans.
- April 22. — A Yugoslav economic delegation, headed by Jakov Blažević, a member of the Federal Executive Council, left for South America where it will stay for about four months.
- April 22. — A representative of the Yugoslav Main Co-operative League left for the fifth session of the International Organization of Agricultural Producers which is to be held at Avoncroft in England, from April 25 till May 2.



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